




Subscribe Now | Pay Bill | Place an Ad | Contact Customer Service | Contact The Detroit News

RSS | Email Newsletters | PDA



Archive: Fri | Sat | Sun | Mon | Tue | Wed | Thu | Today


Home News Local Sports Autos Business Entertainment Lifestyle Opinion Classifieds Jobs Cars Real Estate For Rent Shopping

Homes Foreclosures **Business** Sell Your House

Business

RSS Feeds Email Headlines Text Alerts On Your PDA

JUMP TO SITE INDEX

Article Tools: Print Email Comment Text Size:  Save Share

Friday, January 4, 2008

Retailers reap measured holiday sales cheer

Results show mediocre returns on promotions, but experts say it's not bad, given the times.

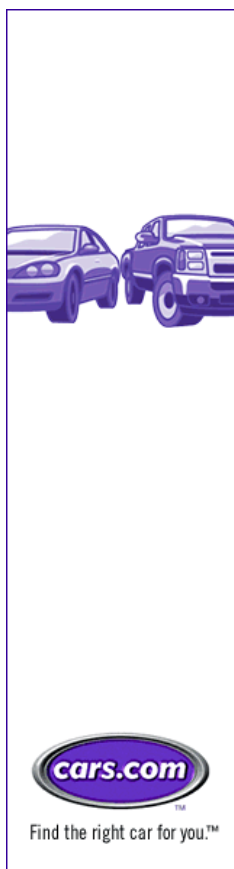
Nathan Hurst / The Detroit News

DEARBORN -- Deep discounts, round-the-clock marathon hours and other gimmicks failed to give merchants the moderate Christmas-season boost they were hoping for, according to preliminary industry numbers released Thursday.

But the holiday shopping period, which officially ended Monday, could have been a lot worse, experts say.

Retail sales in the November-December holiday season grew 2.5 percent, according to an estimate by the New York-based International Council of Shopping Centers.

Advertisement



Another initial report from Standard & Poor's Equity Research Services arm estimated a 3 percent to 3.5 percent boost for the season, driven mostly by last-minute purchases and spending from consumers using gift cards after the holiday.

Both early reports peg growth well below the 4 percent projected in late October by the National Retail Federation, a trade group headquartered in Washington, D.C.

"It may have been lower than what some expected," said Scott Watkins, a consultant with Anderson Economic Group in East Lansing. "But all things considered, it's still a notable performance. It's still an increase."

Indeed, the nation's retailers ran up against one of the toughest economic situations in years for spenders, who had a lot more than Christmas wish lists competing for discretionary dollars already depleted by rising fuel, food and utility costs.

Housing slump among issues

Also dampening the gift-giving spirits of consumers was the nation's housing slump -- which has hit Michigan particularly hard -- and the accompanying decline in home prices. A recent S&P report pegged Metro Detroit home values down 11.5 percent in the third quarter compared with the same period in 2006, which made consumers like Jim Slopak hesitate to spend too much on Christmas presents.

The 36-year-old design engineer from Allen Park figures the value on his three-bedroom ranch home has dropped about 15 percent since he purchased it in late 2005. That means he owes the bank more than the home is currently worth, something that makes him nervous about buying much more than necessities.

"I've still got a steady paycheck, but the house problems are putting a lot of pressure on me to keep the spending under control," Slopak said.

To save money, Slopak kept his gift-giving limited to a select few family members and friends, and only bought items he could find on sale.

Mich. results more dour

The sluggish growth in nationwide retail sales is the worst since 2004, when sales inched up 2.3 percent over 2003, according to ICSC figures. It also falls below the 4.6 percent average annual growth reported by

Most Popular

Most Read E-Mailed Printed

[Quarterback Mallett is expected to leave](#)
[Murder charges filed 22 years after teen disappeared](#)
[Agents warn of new drug hitting U.S.](#)
['Spam King,' 10 others indicted](#)
[Market for Inge trade is not great](#)
[GM says 2010 no sure thing for Volt](#)
[Millen has to explain, face fans](#)
[Celtics rematch isn't a big deal](#)
[Police: Intoxicated Britney Spears leaves home in ambulance after handing over kids](#)
[Howes: This Big 3 sequel is scary](#)

Sponsored by 

the National Retail Federation over the past decade.

The early reports are seen by experts as a strong early predictor of what final holiday sales tallies from merchants will look like when they're released later this month. Most chains have yet to release individual results.

For Michigan merchants, early reports are even more dour.

Tom Scott, senior vice president of communications and marketing at the Michigan Retailers Association, said his organization is expecting final holiday reports to be flat for the state's retailers, based on initial sales counts tallied from credit and debit card purchases throughout the season.

That's below the group's initial estimate of 2 percent growth over last year's holiday season, but -- in a state with the nation's highest jobless rate -- better than what could have easily turned out to be a decline, Scott said.

"Given the economic troubles we're seeing here, this could've been much worse," Scott said. "And we still have a while to go with gift card redemptions."

Both national and local experts agree that gift card sales -- which don't count as revenue until the cards are redeemed -- have pushed some merchandise sales from the traditional holiday season well into January.

The retail federation estimated gift card sales to reach \$26.3 billion in 2007, a 6 percent increase over the year before.

Internet sales continued to grow as well, with online research firm ComScore Inc. estimating a 19 percent increase in online holiday sales over 2006. The company estimated \$27.9 billion was spent for holiday gifts purchased over the Web this year.

Article Tools: [Print](#) [Email](#) [Comment](#)

In the Blogs...

Tom Long's Mostly Movies



Tom Long: I have watched all four Jack Ryan movies, Alec Baldwin through Harrison Ford to Ben Affleck. Don't ask me why. I have watched "Juno" three times, even though I'd already ... Continued

Big 10 Blog

Eric Lacy: John Beilein awarded Thursday walk-on guard C.J. Lee a scholarship, according to Cecil and Alberta Lee, the player's parents. The scholarship is expected to last at least ... Continued



In Tune: Music Blog



Adam Graham: Nielsen SoundScan released its 2007 year-end figures Thursday, and its findings are sobering. Overall album sales were down 9.5 percent. Country sales were down more ... Continued

[More blogs](#)

MORE IN: BUSINESS

Retailers reap measured holiday sales cheer - 01/04/2008
 Dearborn firm shapes homeowners' dreams - 01/04/2008
 Bankruptcy filings up 40% in 2007 - 01/04/2008
 Green colors electronics trade show - 01/04/2008
 People on the move - 01/04/2008
 Nation/World briefs - 01/04/2008
 Metro/State briefs - 01/04/2008
 Michigan woos \$60B U.S. film industry - 01/03/2008
 Ob-gyns discover Botox - 01/03/2008
 Economy unlikely to slip on oil at \$100 - 01/03/2008
 Centers help students excel in math, reading - 01/03/2008
 Atlanta airport busiest in world - 01/03/2008

Site Index

Essentials:

[Home](#)
[Page One PDF](#)
[Sports PDF](#)
[Weather](#)
[Horoscope](#)
[Lottery](#)
[Crossword](#)
[Sudoku](#)
[Contact Us](#)
Multimedia:
[Photos/Video](#)
[News Photos](#)
[Autos Photos](#)
[Audio Galleries](#)
[Video](#)
[Photo Store](#)

News:

[Nation/World](#)
[Politics/Govt.](#)
[Elections](#)
[Religion](#)
Local/State:
[Metro/State](#)
[Wayne](#)
[Oakland](#)
[Macomb](#)
[Livingston](#)
[Commuting](#)
[Schools](#)
[Michigan History](#)
[Obituaries](#)
[Death Notices](#)

Autos:

[Autos Insider](#)
[Drive](#)
[Joyrides](#)
[Auto Shows](#)
[Auto Photos](#)
[Autos Talk](#)
[Test Drive blog](#)
Business:
[Business News](#)
[Personal](#)
[Finance](#)
[Stocks](#)
[Technology](#)

Sports:

[Sports](#)
[Lions/NFL](#)
[Pistons/NBA](#)
[Red Wings/NHL](#)
[Tigers/MLB](#)
[Shock/WNBA](#)
[MSU](#)
[U-M](#)
[More Colleges](#)
[High Schools](#)
[Golf](#)
[Motor Sports](#)
[More Sports](#)
[Ski Guide](#)
[Scoreboards](#)

Entertainment:

[Entertainment](#)
[Music](#)
[Calendar](#)
[Movies](#)
[TV Listings](#)
[TV/Radio](#)
[Restaurants](#)
[Wine Report](#)
[Celebs](#)
[Performing Arts](#)
[Casinos](#)
[Puzzles/Games](#)

Forums:

[Forums Index](#)
[Lions Talk](#)
[Wings Talk](#)
[Pistons Talk](#)
[Tigers Talk](#)
[Ask Mike O'Hara](#)
[Big Ten Talk](#)
[News Talk](#)
[Autos Talk](#)
[Faith Talk](#)
Opinions:
[Editorials](#)
[Letter to Editor](#)
[Blogs](#)
[Columnists](#)
[Cybersurveys](#)

Lifestyle:

[Lifestyle](#)
[Homestyle](#)
[Food](#)
[Recipe Finder](#)
[Health/Fitness](#)
[Fashion/Shopping](#)
[Families/Parenting](#)
[Travel/Recreation](#)
[MichMoms](#)
[MichDads](#)
Other
[Special Reports](#)

Special Reports



Special report: The foreclosure factory

Metro Detroit is a national center of the foreclosure crisis, leaving thousands of families financially ruined and depressing property values. - Nov. 26, 2007

The Detroit Institute of Arts:
 Your guide to the new DIA -
 Nov. 5, 2007

Detroit tax breaks go to the well-heeled - Oct. 31, 2007

South of the equator, Ford and

Browse on the move with detnews.com mobile

Log on today from your PDA, cell phone or other wireless, handheld device to find the latest:
 • Breaking News • Weather • Sports • And more **FAST, FREE SET-UP - CLICK HERE TO LEARN MORE**

© Copyright 2008 The Detroit News. All rights reserved.

[Terms of Service](#) | [Contact](#) | [Help](#)

[GM prosper - Aug. 13, 2007](#)

[Special Report: 2007 UAW
contract talks - Jun. 21, 2007](#)

[More Special Reports](#)
