



Holiday Shopping

Sneak Peek: 15 Black Friday Bargains

Lauren Sherman, 11.24.08, 6:00 PM ET

Thanks to [F.A.O. Schwartz](#), you won't have to introduce your kids to the Grinch this year.

That's because all F.A.O.-branded items will be discounted by 25% on Nov. 28. The toy store will also heavily promote its "\$25 and under" toy line, which includes Eric Carle's Very Hungry Caterpillar plush toy and a classic tin drum by FAO's private label. At department store Macy's, all F.A.O. items will be discounted by 30%.

Have older children? Head to [Brooks Brothers](#). There, you'll get 15% off all purchases from 8 a.m. to noon.

Sneak Peek: 15 In-Store Bargains

Sneak Peek: Post-Thanksgiving Online Deals

These are just a couple of the deals consumers will find this season. Beginning Friday, retailers across virtually all categories will mark down prices, sometimes 50%, 60%, even 70%.

Superior Savings

Discounts are up because sales are down. In the first two weeks of November, apparel and electronics sales fell more than 19% compared with the same time a year ago. Online sales are down 7.5%, according to a report released yesterday by SpendingPulse, an information service provided by MasterCard Advisors, a subsidiary of MasterCard Worldwide.

And according to Discover's U.S. Spending Monitor, an index of consumer spending intentions and capacity that is based on interviews with a random sample of 15,000 Americans, 62% of consumers said that they're planning to spend less this holiday season. What's more, 60% haven't even started their holiday shopping.

"There is no question that the consumer is basically saying, 'What's the rush?'" says Marshal Cohen, chief retail analyst at the Port Washington, N.Y.-based market research firm NPD Group.

That means stores like big box electronics seller [Best Buy](#) are trying extra-hard this year to woo customers with gimmicks like "door buster" sales, which offer limited quantity items (at low prices) in the wee hours of Nov. 28. That includes a \$380 Toshiba laptop, a \$60 Insignia digital camera or a 50-inch Panasonic plasma television for \$900.

Even retailers who normally shy away from holiday sales are participating this year. Although [Barneys New York](#) isn't promoting an official Black Friday sale, its Annual Winter Sale, which offers discounts up to 40% off--and sometimes more--has already kicked off and will continue through the weekend of Nov. 28, with deeper discounts starting that Friday. Discounts include Lanvin's "Hurrah" satchel in white, marked down to \$489 from \$1,950, and an Alexander Wang silk wrap tank dress in purple marked down to \$259 from \$525.

Mid-level department store [Bloomingdale's](#) will launch their Big Brown Bag sale--which offers 50-70% off items store-wide--on Friday. Shoppers will also receive a Bloomingdales gift card worth \$15 every time they spend \$100 throughout the weekend. Its sister store, Macy's, will offer discounts from 30-70% off on a variety of items, from Anne Klein party dresses to Kenneth Cole casual lace-up oxfords to Lacoste bedding and bath goods.

"Retailers are realizing that people don't have the money to spend this year," says Jon Vincent, founder of [Blackfriday.info](#), a Web site that posts black Friday ads for brick-and-mortar stores online. "They're really looking for a deal."

Buyers Beware

Great deals might get people in the stores, but they don't always translate into purchases.

"Traffic may be up, but spending will be down," says Dr. Robert Passikoff, founder and president of Brand Keys, Inc., a New York-based brand and customer loyalty consultancy.

Passikoff isn't alone in his predictions. Despite that fact that a study conducted in October 2008 by Chicago-based consulting firm BDO Seidman said that U.S. retailers expect Black Friday sales to grow 1.2% this year--and the Nation Retail Federation forecast that overall retail sales for November and December 2008 will increase by 2.2% from the same period in 2007--industry experts are more cautious.

"Black Friday is going to look grey," says Cohen. "The consumer has already been offered all kinds of discounts. This year, there's not going to be panic-buying, emotional buying or self-purchasing. All the traditional equations aren't working."

One reason is that people don't have as much credit as they did in the past few years. Credit card companies across the board--from American Express to Citigroup--are adjusting credit limits and increasing interest rates, according to credit card rating Web sites like Lowcards.com.

What's more, retailers were conservative on their orders this season, meaning that they have less inventory to mark down. It sounds like a good thing, but it's not. Consider this: if a retailer ordered 10 espresso makers last year and just seven this year, that means the retailer is expecting to sell less makers, but hoping that they will *all* sell--and most at full price--leaving minimal inventory after the holidays. The problem is, nothing is selling at full price, which means they still have to mark down all seven espresso makers, garnering far less profit in return.

Of course, discounts are generally good for the individual consumer, albeit bad for the overall economy. Black Friday shoppers will certainly benefit, but the real winners will be those patient enough to wait for Dec. 26. That's when, we're told, the real deals kick in.

"There might not be much inventory left, but whatever is left, you'll [practically] get paid to take it home," says Cohen. "We'll see incredible discounts."

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