



STRETCHING A BUCK

Cyber Monday

Experts, retailers disagree over whether day is sales bonanza or marketing hype

Tuesday, December 2, 2008 3:07 AM

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THE COLUMBUS DISPATCH

It's probably fitting that the biggest sellers on the day known as Cyber Monday were consumer electronics.

The Nintendo Wii was the most popular product purchased from PriceGrabber.com, a comparison-shopping site, followed by Sony's Blu-ray disc player, an Apple iPod Touch and a 52-inch LCD television.

Consumer-electronics sales also rose on eBay during the weekend leading up to Cyber Monday. The biggest seller was the Wii, followed by a GPS navigation system, said eBay Marketplace expert Jim Griffith.

"People are focusing in on gadgets this year more than they ever have," Griffith said.

Retailers who saw Thanksgiving holiday sales drop off as the weekend progressed stepped up online promotions yesterday to try to get consumers tired of the crowds at stores to continue shopping.

But after weeks of already-heavy discounting in stores and online, experts doubted that the day would give much of a lift to what is expected to be one of the weakest holiday seasons in years. Total sales for Cyber Monday weren't available yesterday.

"People are expecting that deals will only get better as we approach the Christmas time frame," said Youssef H. Squali, an analyst at Jefferies & Co. "So

while Cyber Monday is significant, I wouldn't say today is the only day to track. People may opt to wait a little more."

The term Cyber Monday was coined by Shop.org in 2005 to identify the trend of people shopping online the Monday after Thanksgiving, usually because they use the Internet access at work to finish shopping. Since then, retailers have tried to court online sales by offering online-only discounts and other promotions.

"It builds on each other," said Ron LaPierre, president of PriceGrabber.com.

Although Cyber Monday is the most hyped day to shop online, it's typically not the day with the biggest online sales. Sales usually are higher later in December, when consumers buckle down and buy to make sure their items arrive in time.

"It will be one of our biggest days of the year, but it's not always the biggest," LaPierre said.

David Tate, chief executive of Elite Fitness Systems, said he thinks Cyber Monday probably is a "fictional event" based on the assumption that everybody is going to shop online that day, but he's not interested in testing that belief.

"If everybody's going to put out the best promotion on Monday, you better do it, too, because that dollar's not going to be there on Tuesday," Tate said. "I'm not sure if I believe that, but I'm not willing to risk it."

Tate said online sales for his London, Ohio-based company were up between 15 percent and 20 percent yesterday over last year's Cyber Monday, which he credits in part to newsletters he sent alerting customers to the day's sales.

Nearly 84 percent of retailers planned a Cyber Monday promotion, according to Shop.org's holiday survey.

Gap Inc. ran online promotions for all of its brands -- Old Navy, Banana Republic, Gap and Piperlime -- and offered free shipping on Cyber Monday. The strategy seemed to pay off.

"We're having a very good day," said Chris Black, vice president of operations for Gap Inc. Direct, the company's online division. "The day's not quite over, but it looks like our customers have responded very positively to all the offers we have on all of our sites."

PriceGrabber.com's site traffic increased about 10 percent yesterday compared with Cyber Monday 2007, LaPierre said.

"The double-digit growth in traffic is a pleasant surprise," he said.

People obviously didn't wait until they returned to work to begin their online shopping.

PayPal, an online-payment service, had a 34 percent increase in transactions on Black Friday, eBay's Griffith said.

"That's a significant increase, and I think an indication of the health of e-commerce," he said.

The Cyber Monday sales numbers for eBay were unavailable, but Griffith said that based on online sales so far, he expects to contradict analysts who predicted flat online sales this year.

"We are cautiously optimistic that this will be a good holiday shopping season for online commerce," Griffith said.

Internet research firm comScore predicted \$29.2 billion in online retail spending in November and December, unchanged from last year's amount.

Purchases from work account for about half of all e-commerce spending, according to comScore.

This year, 72.8 million people plan to shop online while at work during the holiday shopping season, up from 68.5 million in 2007, according to Shop.org's survey.

"There are still many people in this country who do not have access to broadband or high-speed Internet, and will wait until they go to work on Monday," Griffith said.

Despite a weak economy, Tate said he thinks online sales this year will be comparable to previous years' because there's a built-in market.

"Online retailers who have built trust and a reputation, I think they're going to do the same as last year or maybe just a slight growth because there's always people who don't want to go out, who don't want to deal with parking or the lines," Tate said.

Information from the Associated Press was included in this story.