

With forecasts projecting growth on Black Friday, retailers brace for holiday sales.

by Michelle Fern

Black Friday 2010 is almost here. Yet for many retailers who hope the annual shopping season prior to Christmas may finally show some growth after a couple of lackluster years, what used to be the unofficial start to the holiday season is blurring, if not losing its radiance altogether. The term Black Friday dates back to 1966, when it was largely coined as the day retailers move from operating at a loss, or in the red, to profitability, or in the black. But the term's use has become increasingly popular with retail workers to cynically describe the mass chaos that typically accompanies the day as stores tout their best deals, and consumers battle each other to buy them. And this year, experts are predicting more consumers will finally exit the sidelines to jump back onto the shopping gridiron.

According to the National Retail Federation, the industry's trade group that tracks sales data from the U.S. Department of Commerce, retail sales are expected to increase 2.3 percent this year to just over \$447 billion. That comes on the heels of a relatively flat 2009 compared to what many considered a horrible 2008, where sales dropped nearly four percent against the prior year. Plus, this year will have an additional shopping day, with 29 days spanning the period between Thanksgiving and Christmas.

From good to bad in a week. For many consumers, Black Friday still marks the jumpstart to the shopping season, and while the Saturday before Christmas, often called Super Saturday, has taken top honors in the past as the season's busiest, last year's Black Friday was indeed the most lucrative for retailers. Chicago-based ShopperTrak, a retail analysis firm that tracks retail foot traffic and sales in the U.S., said in its National Retail Sales Estimate released earlier this year that despite a 2.5 percent decline in foot traffic, 2009 Black Friday retail sales totaled \$10.66 billion, the most ever recorded for the day. While a good start, sales for the remainder of the weekend failed to follow pace and a major snowstorm that affected many states in the Midwest and east coast led to a \$1 billion year-over-year decline on Super Saturday alone. Still, those results were up against 2008's Black Friday weekend that saw both sales and foot traffic fall by double digits, and an eventual drop of \$17.6 billion in sales over the entire season compared to 2007.

A different outlook. With the economy slowly recovering - although experts call it a jobless one - seasonal hiring should outpace last year with employers expected to add over 650,000. And similar to years past, many companies will also focus efforts on their supply and inventory systems to stay lean and reduce excess merchandise. For others, the movement to online and mobile sales will be greater than ever before.

This year has seen a shift as retailers have pushed the buy-

ing season longer - much like seeing Halloween decorations in August - and what used to be packaged in just a few short weeks before Christmas is now more like a few months. Over the past two years, Black Friday has undergone a transformation from a one-day event celebrated by consumers to an event that begins in late October and runs through early December. It's all about luring the precious dollar earlier before another store gets it, and doing it effectively. "While consumers have shown they are once again willing to spend on what's important to them, they will still be very conscientious about price," said Jack Kleinhenz, chief economist for NRF. "Retailers are expected to compensate for this fundamental shift in shopper mentality by offering significant promotions throughout the holiday season and emphasizing value throughout their marketing efforts."

Changing strategy. National retailers like Sears began advertising "Pre-" Black Friday sales, giving consumers the opportunity to cash in on deals early. Similar to the traditional day, they advertise early bird specials and midnight shopping, and distribute tons of coupon offers to draw in the unsuspecting shopper by creating the perception that these are the low of the lowest prices. However, such sales are nothing like the ones typically seen after Thanksgiving, where deep discounts and loss leaders are the major attractions. Instead, retailers have simply hijacked the Black Friday concept to lure customers earlier, and it seems to be working.

According to NRF, retail sales increased for a fourth consecutive month in October, which posted a 0.3 percent gain compared to September and a 2.6 percent increase against last year. When autos, gasoline and restaurants are included, the October figures fared better at 1.2 percent against the previous month and 5.4 percent when compared to 2009, and retailers hope it will carry into the holiday season. "This continued momentum is good news for the industry, especially with Black Friday and Cyber Monday quickly approaching," said Shay. "While there is no question that consumer demand has improved, there are still questions about consumer confidence tied to high unemployment. We need to see improvement in key economic indicators to sustain any long-term growth."

Due to the economic uncertainties, consumers will watch how their dollars are spent and seek out the best deals they can find. Many will shop the online bargains, which for some retailers will have started well before Thanksgiving Day. And those consumers who are not looking for the big flat screen TVs or the newest additing electronics will be holding out for that \$6 coffee maker on Black Friday.

14 Critical Steps for a Reliable Retail Computer System

By: Jeff Haefner



Step 1: Install a UPS (Uninterruptible Power Supply)

Step 2: Plug all your cables into the UPS

Step 3: Configure your network

Step 4: Disable simple file sharing

Step 5: Set up passwords and security settings

Step 6: Install Anti-virus and Anti-Spyware Software and configure for automatic updates

Step 7: Limit Internet Access and Implement Policies for Computer Use

Step 8: Remove Unnecessary Programs

Step 9: Set up correct power settings to avoid "sleep mode" power loss

Step 10: Configure your printers

Step 11: Install your Retail Software Applications and Configure your POS Software

Step 12: Install and Configure a Back Up to prevent data loss, test back up once a month

Step 13: Schedule automatic windows updates



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Increase your Efficiency with a Blue Tooth Scanner for Only \$595!

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Meet the Staff at Retail Technology Experts

George Hipp

Senior Retail Systems Consultant



George Hipp joined the team at Retail Technology Experts in September of 2008 and is located in Minnesota. George has been involved with Retail Automation for almost 20 years and is certified in Retail Pro and Microsoft RMS. George analyzes

specific business needs and shows retailers how to set up their systems or how to customize them to make their store unique and profitable. He enjoys discussing the unique methods of retailing, whether it is styles in a shoe or clothing store or how to buy and sell case quantities in a liquor store. George likes to do as much discovery with his prospects as possible to ensure he is recommending the best system for their business.

George recently learned to play the saxophone, likes to work-out and, water and snow ski and loves to spend time on the boat with his grand-kids.

retailpro Product Spotlight

How to Create a Quantity Adjustment Memo

Adjustment memos in Retail Pro allow you to execute and track manual changes to quantities, costs, or prices. They give you an audit trail that supports your current inventory valuation.

- From Main Menu, go to Adjustments - memos. You will see a list of memos generated in the current month. Click on "new" on top left, then select "quantity."
- Assign the store or which you are adjusting quantities if needed. Select a reason for your adjustment, enter comments as needed.
- Sort by Style#, then type the style number in the search field on the top left. For example, the filter criterion of buckle would include such records as ladies buckle shoe, buckle girls dress shoe, boys casual shoe buckle, and so on, in the filter results.
- The easiest way to create an adjustment memo is to first enter all the items that are affected by your memo. Simply enter item number, then hit enter, like doing a manual sales transaction.

- There are three key fields in the adjustment memo:
 - OLD STR QTY: Old Store Quantity, this is what the system says you have
 - ADJ STR QTY: Adjusted Store Quantity, this is where to enter what you have
 - QTY DIFF: Quantity Difference, the difference between old and adjusted quantities

- Go back to the first item, and in the "ADJ STR QTY" field enter the quantity you actually have at the store. You can use the arrow key down on the keyboard to go to the next item. You will see that Retail Pro will recalculate the "QTY DIFF" for you.

- The bottom boxes (price, cost, quantity) will show you totals, in terms of the gain or loss you took price-wise, cost-wise, and quantity-wise. When you are finished, print your adjustment memo if needed, or simply select "update only."

Microsoft Dynamics Retail Management System Product Spotlight

Gift Cards in RMS - Part 1

RMS allows you to track, sell, and redeem gift cards within your single store location (Note: For global gift card usage across multiple stores, the Global Gift Card add-on module would be needed). Below are the steps to sell and redeem the gift card item.

How to Sell the Gift Card

1. In Store Operations POS either manually enter or scan the item lookup code for the gift card you are selling.
2. Enter the gift card serial number when the Gift Card window appears. You can also choose from the list of gift card numbers by clicking the Lookup button on the window.
- 3a. If the gift card item has a predefined sale amount (Example: \$25.00) the price will appear on the transaction screen.
- 3b. If the gift card does NOT have a pre-defined price you will need to enter the amount in the Item Price window immediately following the serial number entry.

4. You can now enter the remaining items of your transaction, if necessary, and proceed to the Tender option by pressing the F12 key and tendering the sale.

How to Redeem the Gift Card

1. Enter or scan the customer's items being purchased in the Store Operations POS transaction screen.
2. When tendering the sale (F12 key), enter the amount of the gift card that will be applied toward the total sale amount in the Gift Card tender type field.
3. Press Enter to display the Gift Card Verification Window.
4. Enter the gift card serial number being used and press Enter.

The Retail Legal Advisor



by: Michael Berger, Esq.

The Small Business Jobs Act of 2010

On September 27, 2010, President Obama signed the Small Business Jobs and Credit Act of 2010 (the "SBJCA") into law. The SBJCA contains a variety of tax breaks for qualified "small" businesses. The focus on this month's newsletter article will be on the provisions of the SBJCA providing for more generous depreciation deductions meant to spur capital expenditures and create new jobs.

Section 179 Deductions. The SBJCA allows qualified small businesses to immediately deduct up to \$500,000 on capital expenditures made during 2010 and 2011, rather than depreciating such expenditures over a number of years, as long as the business has sufficient taxable income. For 2009, the Section 179 cap was \$250,000. For tax years 2012 and beyond, the limit is set to revert to \$25,000 unless legislation is passed to extend the increased Section 179 limits.

For businesses with taxable income, this is a huge tax break and should encourage such businesses to consider investing in future growth and to position themselves to benefit greatly when the economy eventually turns around. As an example, assume a retailer with 60 locations wishes to upgrade its computer software and hardware in 2011. The cost of the upgrade is \$5000 per location for a total investment of \$300,000. As long as the retailer has taxable income of \$300,000 in 2011, then it can deduct the entire amount on its 2011 tax return. This is a very valuable subsidy from our federal government.

First-year bonus depreciation. Businesses that make substantial capital investments during 2010 may also be able to take advantage of the first year bonus depreciation that was reinstated by the SBJCA. For certain "qualified property", businesses may depreciate in the first year the property is put into service, 50% of the cost of such property AFTER exhausting the Section 179 deduction discussed above.

To be eligible for the 50% bonus depreciation, three requirements must be met:

- the investment must be for "qualified property" (including "qualified leasehold improvement property");
- the property must be purchased NEW by 12/31/10; and
- with limited exceptions, the property must be placed in service by 12/31/10 (certain assets can be placed in service by 12/31/11 and still be eligible).

There are certain phase-out and other limitations to the incentives discussed in this article. For information regarding these limitations and for a further explanation on how your business might benefit under the SBJCA, please contact your tax professional tax advisor.

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Thanksgiving and Black Friday Technical Support Hours



RTE understands your need for excellent Technical Support during the Holidays. In observance of the Thanksgiving Day Holiday and subsequent Black Friday, RTE support will be available as follows:

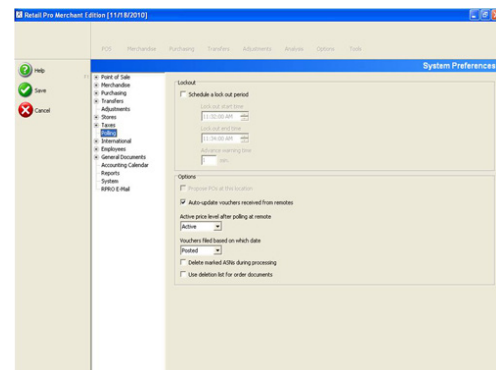
- > **Thanksgiving Day - Thursday, November 25, 2010**
 RTE Offices will be closed.
 After Hours Support will not be available.
- > **Black Friday - Friday, November 26, 2010**
 RTE Offices will be closed.
 After Hours support will be available between the hours of 9:00am to 12:00am-Midnight.
- > **Weekend - Saturday, November 27, 2010 and Sunday November 28, 2010**
 After Hours support will be available between the hours of 10:00am to 9:00pm.

retailpro Important Information for Retail Pro Customers

Retail Pro customers that are opening up at midnight, Thursday 11/25/2010, will need to make certain that any polling lock schedule enabled in System Preferences is **Disabled** the night before the event.

If this is not done, the system will not allow you to log onto Retail Pro.

To disable the polling lock schedule, they will need to go into System Preferences, click on "Polling" on the left hand side and then remove the check mark on the polling schedule. An example of this is below:



After completing this step, you can then shutdown the actual polling schedule that is located on the taskbar of the Remote Master computer of each store.

If you have any questions regarding this change, please contact Technical Support prior to Thanksgiving at 800.513.5917.

Best Wishes for a Happy Thanksgiving Holiday!

RETAIL OPTIMIZER

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