A retailer’s dilemma: Is it worth it to open on Thanksgiving?

Joe Avena

Customers shopping at a Best Buy.

Americans have a conflicted relationship with holiday shopping.

We love a good deal, yet we are mired in massive debt. We give lip service to the importance of spending quality time with our family for the holidays, but when stores open up on Thanksgiving, shoppers dutifully show up — or at the very least snag some deals online when no one is looking.

While some object to holiday shopping on the actual holiday, plenty of stores are giving deal-hungry shoppers what they want. Most major retailers — including J.C. Penney JCP, -0.36% , Macy’s M, +1.89% and Target TGT, +0.37% — are not only open in the wee hours of Black Friday, but also on Thanksgiving Day. Target even went so far as to call shopping at 6 p.m. on Thanksgiving a “tradition” in announcing its opening time. Thanksgiving shopping has become so common that it’s more unusual for a store to be closed.

Made-to-order clothes for royals, made for everyone

(6:12)

One of Duchess of Cambridge Kate Middleton's favorite designers, Katherine Hooker joins Lunch Break to discuss
her line of custom jackets.

And some retailers, which are typically part of the Black Friday fray, have attracted some attention for doing just that and staying closed on Thanksgiving. Outdoor goods chain REI made countless headlines by saying it would stay closed on Black Friday to encourage customers and employees (who will be paid for the day) to go outside instead of shop.

It’s a risk: they will miss out on sales that may go to rivals, but experts say retailers likely wouldn’t stay closed if they truly believed it would result in a big loss. Staffing a store on Thanksgiving can be expensive because retailers typically have to pay overtime. And it’s often niche retailers, who don’t rely heavily on sales of big-screen TVs or toys that close, so the good press may be enough to offset any lost sales from being closed on Thanksgiving or in REI’s case, the day after.

The Black Friday creep
Despite some prominent announcements, stores continue to open on Thanksgiving

![Graph showing Thanksgiving and Black Friday hours over the years. Source: Brad's Deals.](image)

Terrence Horan/MarketWatch.

Thanksgiving and Black Friday hours over the years. Source: Brad’s Deals.

Last month, Staples SPLS, +0.57% executives said the store would stay closed on Turkey Day to allow “customers and associates to enjoy Thanksgiving their own way.” The chain, which was open on Thanksgiving last year, will open at 6 a.m. on Friday. GameStop GME, -3.35% offered similar reasoning when the company announced last month that it would stay closed on Thanksgiving and open at 5 a.m. on Black Friday instead. H&M also announced earlier this month that it would stay closed on the holiday.

Joey Mooring, a spokesman for GameStop, said in an email that the company decided to close because “we think it’s the right thing to do.” He said it varies how early workers will have to show up to stores for 5 a.m. Black Friday openings, but he expects they’ll typically clock in about an hour before. He added that since announcing they’d be closed on Thanksgiving last month, the company has received countless notes from shoppers and employees saying they appreciate the move. A spokeswoman for Staples said representatives couldn’t comment beyond the company’s initial announcement.

For some stores, this may make sense, as Black Friday weekend’s impact recedes. Two-thirds of Americans say they’ll start shopping before Thanksgiving for their holiday gifts and just 12% plan to show up in stores on the holiday,
according to a recent survey from the International Council of Shopping Centers, a shopping center industry trade group. Offering deals early may also convince more shoppers to stay home — 63% of shoppers said they’re influenced to start their holiday buying when they first start seeing advertisements, according to ICSC data.

“Everything pre-Black Friday is going to be called the Black Friday deal,” said Jesse Tron, an ICSC spokesman.

While some may feel a return to a doorbuster-free Thanksgiving reflects family values, others say it’s mostly about good PR.

They are effectively saying, “Look at us: aren’t we great? We’re not opening on Thanksgiving,” said Denise Lee Yohn, a retail consultant. But some retailers that stayed closed on Thanksgiving for years, even in the midst of the “Black Friday creep,” have managed to do it relatively quietly. Costco COST, +0.12% and Nordstrom JWN, +0.78% , for example, keep their doors closed with no formal announcements.

A decreasing focus on Black Friday itself appears to be the new normal. Amazon AMZN, +0.62% and some brick-and-mortar retailers are offering discounts throughout much of November. And Wal-Mart WMT, +0.53% is even ditching “door-buster” deals this holiday shopping season in favor of offering most discounts online and in stores all at once instead. That means shoppers can get a deal without facing the Black Friday weekend mayhem or setting foot in a store at all.

Car maker Chevrolet GM, +0.33% mocked the crowds in an ad for its own Black Friday sales, which will actually be available for much of this month.

“We’ve been seeing discounts roll forward in the first part of November over the past several years,” says Ken Perkins, the president of Retail Metrics, a retail data firm.

But despite all of the early deals, most major retailers still can’t afford to stay closed on Thanksgiving. With little indication that the holiday weekend spending will grow this year — traffic over the Black Friday weekend dropped 5.2% in 2014 from the previous year — any company that’s not a niche store could risk losing out on their share of the shopping pie if they stay closed. The holiday shopping season, typically defined as November and December, makes up between 20% and 40% of a retailer’s annual sales, according to the National Retail Federation.

“It’s really more of a zero-sum game,” says Perkins. “It’s so highly competitive that if they’re not open they’re going to lose sales on Thanksgiving to their competitors and they’re unlikely to recoup those during the holiday season.”

And though some Americans may express angst over stores opening on Thanksgiving, it’s likely not an issue that’s top of mind for most shoppers, said Kit Yarrow, a consumer psychologist. That means a store’s decision to stay open on the holiday is unlikely to stop most Americans from spending their money there in the future.

“I don’t think consumers pay attention to who is open or who is not open unless they want to go shopping,” she said. “If they’re staying at home, it’s not really news.”

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