

Deck the Malls

BUSINESS AND
ECONOMICS
PROFESSOR CATCHES
MEDIA SPOTLIGHT
WITH ANNUAL
SHOPPING
FORECAST

By Sherrie Flick

Liuzzo, shown here amidst the holiday offerings at Dundee Gardens, Wilkes-Barre, says more people are shopping online at work during their lunch hours.
PHOTOS BY MARK GOLASZEWSKI

W

HEN REPORTERS WANT INSIGHTS into how merry the holiday shopping season will be, they turn to Wilkes business and economics Professor Anthony L. Liuzzo.

Liuzzo has had his finger to the pulse of America's holiday spending habits for nearly 20 years. His annual shopping forecast has become a popular reference for hundreds of media outlets, from local Wilkes-Barre radio stations to *USA Today* to his favorite: the front page of *The New York Times*.

Liuzzo, who also directs the University MBA program, notes drastic changes in holiday spending over the past two decades. The shirts, ties and sweaters that people placed under the tree in holidays of yore seem quaint compared to the iPods, iPhones, big-screen TVs, and tech toys that he predicts will lead the pack in 2007.

Several factors go into his yearly forecast: the public's perception of the stability of the international climate, the stock market, consumer confidence, and where the Federal Reserve stands on the economy. He cites certain consistent shopping patterns. Some seem obvious: Consumers shop less during snowy, icy winters and also during unseasonably warm holidays. Others are less evident: Shoppers tend to buy more in a presidential election year, especially with the re-election of a popular incumbent. The number of shopping days available between Thanksgiving and Christmas plays a role too.

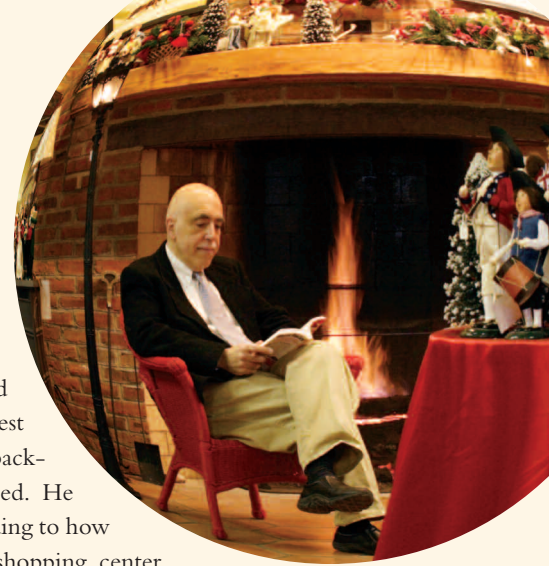
Liuzzo, a self-proclaimed Type A personality, tends to shop early.

But bargain hunters may want to pay attention to trends that determine the best time to hit the mall.

"If retailers overestimate demand, they have great quantities of inventory, and by the first week of December they're slashing

prices," he notes. "When they underestimate, they run out" and prices stay up.

Liuzzo begins thinking about the forecast in July and is compiling data in earnest by mid-September, after back-to-school figures are released. He tweaks his predictions according to how many cars he observes in shopping center lots, by listening to other experts, by keeping an ear to the public's view of world events, and other factors.



“WE’RE ALL SHOPPERS. It’s fun to use the technical knowledge that I’ve gained to ANALYZE HOW and when WE SHOP.”

One of the biggest changes in recent years has been the addition of Internet shopping to his formula. "People tend to shop at their work stations during their lunch hours," Liuzzo says. That trend tends to heat up the Monday after Thanksgiving and increases each Monday up to the holiday. "You can watch the flow from east to west," he notes. As lunch hour arrives in each of the time zones across the country, consumers click "Buy Now" buttons over and over again.

People think that the day after Thanksgiving – Black Friday – is the biggest shopping day, but in actuality

that weekend accounts for only 10 percent of purchases, Liuzzo says. Most people procrastinate, waiting until the Saturday before Christmas. During that week, 30 percent of sales are rung up.

"We're all shoppers," says Liuzzo. "It's fun to use the technical knowledge that I've gained to analyze how and when we shop."

Requests for the forecast come as early as August. Teresa Lindeman of the *Pittsburgh Post-Gazette* is one reporter who depends on this prognosticator. "I know that he's paying attention to what's going on at the mall and in the overall economy. Long before most people will admit to even starting their holiday shopping, he's running the numbers and typically coming up with a pretty good estimate about what retailers can expect."

Experience helps Liuzzo gauge trends. "Like a weather forecaster, you sort of pick up some traction over the years and see some trends. I like to be right. I'm not always right. I'm usually pretty close."



2007 SHOPPING OUTLOOK:

Merry But Not Too Bright

Business and economics Professor Anthony L. Liuzzo expects 2007 holiday sales to rise a meager 3.5

percent. This compares to 4.4 percent in

2006 and 6.4 percent in 2005. He notes that consumer confidence has taken some hits, while the stock market remains volatile. Recent retail sales have been disappointing, while consumer debt, bankruptcies and foreclosures are up. Rising gas and housing prices will be big determining factors.

He also predicts shoppers will continue the trend away from big box stores like Target and WalMart and instead check their lists twice at smaller retailers like JCPenney and Sears. "Department stores have been making some gains in recent years," he notes. "This is kind of a cyclical trend."