

From the Dallas Business Journal:

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## RadioShack: Opening on Thanksgiving Day isn't worth it

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A shortened holiday shopping period this year has led struggling retailer **J.C. Penney Co. Inc.** to join companies such as Macy's, **Best Buy** and **Walmart** in opening on Thanksgiving evening in pursuit of shoppers' first dollars of the season.

While Fort Worth-based **RadioShack Corp.** also is struggling to make a comeback, don't count it among the businesses that will flip on the "open" sign on Thanksgiving. RadioShack said making its employees work on the holiday just isn't worth it.

"Our associates are known to be the most knowledgeable in the industry," said Merianne Roth, spokeswoman for RadioShack. "They work hard all year and giving them the Thanksgiving holiday is important to us."

This year, Thanksgiving falls six days later than last year and four days later than 2011, giving retailers 10 to 20 percent less time to lure shoppers.

For struggling North Texas retailers J.C. Penney (NYSE: JCP) and RadioShack (NYSE: RSH), the economic impact could be critical, according to Abhijit Biswas, marketing clinical professor at the **University of Texas at Dallas**.

"If one does the math, that's huge in terms of potential loss to the retailers.," said Biswas said. "Especially when you consider most of these retailers count 30 to 40 percent of annual retail sales during this period. If you take out a big chunk, that's a huge hit to their bottom-line potential."

RadioShack reported a \$112 million loss in its third quarter. CEO Joseph Magnacca said that some of last quarter's loss was caused by inventory turnover, as the company works on rebranding its stores and bringing in new merchandise.

RadioShack already has done its holiday field research, opening a handful of stores a few years ago to test the waters of the Thanksgiving shopper pool.

The company did not release the economic impact of the decision, but did determine that it was not the direction the company wanted to go.

"The big takeaway is that we really want our associates to have that day with their family," Roth said. "It wasn't the right vision for us to open on Thanksgiving."

So unlike J.C. Penney, which is opening its doors at 8 p.m. on Thanksgiving, RadioShack will wait until 8 a.m. on Black Friday to open up most of its stores.

Instead of hosting early morning door busters, it will run Black Friday deals all day. It also expects to bank on some of its online deals that could run through Thanksgiving.



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RadioShack will host special deals during the entire day on Black Friday. It will not open on Thanksgiving.

Biswas said that the early wallet grab is vital for retailers during the holiday shopping spree, but even more so for struggling companies who might feel a bigger pinch when all the numbers are added up.

So will RadioShack end on top, giving its employees a holiday off and still capitalizing on the weekend, or will it get left behind?

"We'll only know after the dust settles," Biswas said, adding that fourth-quarter results will be imperative. "Nothing is certain."

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