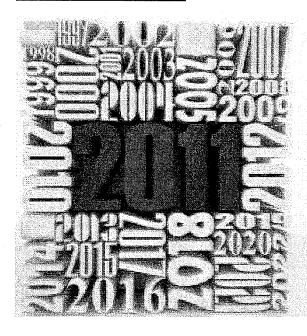
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JAN. 1 'THE BIG WHITE ONE?'

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Westport, CT—After better-than expected Black Friday, Cyber Monday, Super Saturday and Day After Christmas retail sales, some analysts say the next big hit for retailers could come as early as New Year's Day.

"This will be the biggest January we've ever seen at retail," Gary Stibel, chief executive of the New England Consulting Group, told *Crain's New York Business*. While preliminary results point to the 2010 holiday season sales may hit an all-time high, Stibel said shoppers are spending more now to make up for a terrible 2009.

Rising Costs May Hinder 2011 Sales

"It's the same reason why when you come off of a diet, you overeat, and gain more weight," Stibel said. Indeed, shoppers may likely return post Christmas in search of hot items that may have sold out earlier or to find reduced prices.

Calling New Year's Day, Jan. 1, 2011, the "Big White One," Striebel said some retailers view Saturday as having a potential to rival Christmas Eve or even Black Friday. While traditionally most stores close on New Year's Day, more retailers have begun operating on Jan. 1, including Wal-Mart, Target and Kohl's, and Macy's stores in some areas, according to the New England Consulting Group.

Despite such optimistic views on January's potential sales, especially in the Northeast where a blizzard hindered post Christmas, analysts predict that the rest of 2011 may be tougher on retailers. Issues such as rising costs of Chinese labor, shipping and cotton will put pressure on most apparel retailers, who are expected to pass the costs on to shoppers.

"[Such increases] will make 2011 the first year of cost increases we have seen in the modern retail era," said Paul Lejuez, a retail analyst at Nomura Securities International Inc., in a recent research report. "Retailers will have practically zero visibility about 2011 demand trends or whether consumers will accept the price increases."

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