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The Battle for Your Holiday Dollars

Spending Was up during the Holiday Weekend, but as Spending per Person Declined, Retailers Slashed Prices to Compete

By Bianca Solorzano

(CBS) Bargain hunting is the theme of this holiday season. With the country still in the economic doldrums, retailers ordered less merchandise this year and are slashing prices early, reports CBS News correspondent Bianca Solorzano.

"Retailers have adjusted their ordering levels and also adjusted their prices of their goods to accommodate this new normal that consumers are watching carefully how much they spend," said Dana Telsey, the CEO of Telsey Advisory Group, a consulting firm.

New figures show Americans spent \$41.2 billion this extended weekend. That's up slightly from last year. However, average spending per person was down nearly \$30 from a year ago.

When you're out shopping it's easy to find great prices. If you have a smart phone, and the price comparison app - you just scan the bar code and up come the best prices nearby.

The smarter, well-armed consumer is driving some retailers to engage in price wars. Notable, Amazon, traditionally an upscale online vendor is now competing with price-slasher Wal-Mart. On Black Friday, the battle was waged over the Easy-Bake Oven. Normally \$28, it was offered for \$18 at Wal-Mart. Amazon was quick to match that price.

A Samsung 50-inch plasma HDTV went for \$698 at Wal-Mart on Black Friday. Amazon offered the same TV at \$699. Even Barbie saw her price slashed to \$9.99 on Amazon, a penny below Wal-Mart's low price of \$10.

"Amazon has been going into other categories that Wal-Mart sells, but Wal-Mart has been known to be the price leader on, and now they're trying to get aggressive with prices and it's very hard to compete with Wal-Mart who has over \$400 billion in sales, compared to Amazon, with just under \$30 billion in annual sales," Telsey said.

There were 23 million more shoppers this holiday weekend compared to last year - but they are spending less than last year and really pinching their pennies.