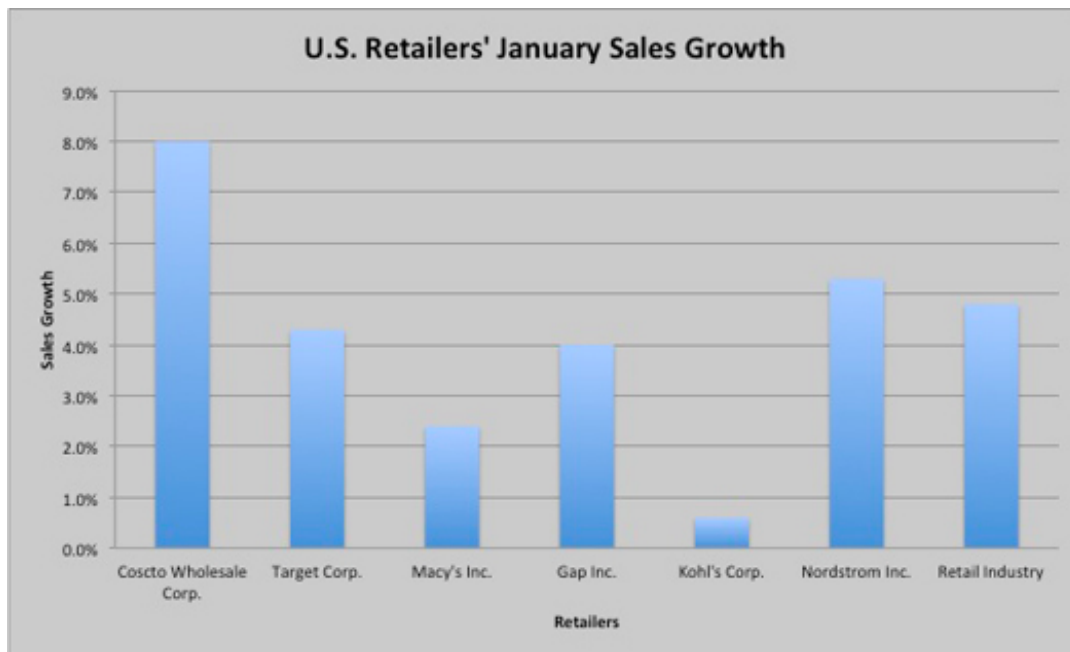


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*U.S. retailers generally had positive sales growth in January.*

## Shoppers scoop up January bargains

by **KRISTENE A. QUAN**

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Coming off a busy holiday shopping season, U.S. retailers delivered generally positive January sales Thursday as shoppers flocked to stores for deeply discounted goods.

Major discount retailers such as Target Corp. and Costco Wholesale Corp. reported strong sales growth, while department store giants Macy's Inc. and Nordstrom Inc. missed their marks. Unusually warm weather last month brought out shoppers but reduced their urgency to stock up on winter gear.

"January retail sales came in modestly stronger than expected overall, although we believe some of the upside may have been driven by more aggressive promotional activity to clear inventory, following mixed sales trends during the holiday season," said Mark Miller, an analyst for William Blair & Co., in a note.

Comparable-store sales include revenues from stores that have been open at least one full year and are a measure of retailers' sales momentum.

Based on the preliminary tally of January sales at 20 U.S. major retailers, comparable-store sales rose by 4.8 percent year-on-year, beating expectations, according to the International Council of Shopping Centers, the mall industry's major trade group.

Warehouse club Costco reported a strong 8 percent rise in same-store sales excluding gasoline prices.

Target's sales grew 4.3 percent, beating projections. Target's results reflected "strong performance in discretionary and non-discretionary categories," Chief Executive Officer Gregg Steinhafel said in a release.

However, Macy's sales for January grew only 2.4 percent, which was below forecasts. Despite the department store missing expectations, it raised its earnings outlook for the year.

“Sales in January – the smallest-volume month of the year – were weaker than anticipated,” Chief Executive Officer Terry J. Lundgren said in a release. Macy’s December sales were strong, however, up 6.2 percent.

Lundgren said the retailer still feels that 2012 “represents an outstanding opportunity to continue to capture additional market share from our competitors.”

Kohl’s Corp., which carries many value-oriented department store brands, saw January sales rise less than 1 percent. “January’s sales were in-line with expectations,” Kohl’s CEO Kevin Mansell said in a release.

Some retailers fared worse.

Apparel retailer, Gap Inc., posted a sales decline of 4 percent compared with a 3 percent increase in January 2011. Even so, Gap executives announced guidance for fourth quarter earnings that were above analysts’ expectations.

“January was largely clearance-based, and we’re pleased we successfully cleared holiday inventory,” Chief Executive Officer Glenn Murphy said in a release.

In general, luxury retailers performed well in January. “Similar to prior months, retailers selling to the high-end consumers performed strongest,” William Blair’s Miller said. Department store retailer Nordstrom reported an increase of 5 percent in comparable-store sales.