

Mixed Christmas for US retailers

US retailers posted mixed results for December - with luxury retailers faring well while many others were forced to slash prices to lift sales.

Upscale department store Nordstrom said same store sales were 9.3% higher than during the same period last year. Trendy youth labels also sold well, with sales jumping 28% at young women's clothing retailer Bebe Stores and 32.2% at American Eagle Outfitters. But Wal-Mart only saw its sales rise after it cut prices. The company saw a 3% rise in December sales, less than the 4.3% rise seen a year earlier.

Customers at the world's biggest retailer are generally seen to be the most vulnerable to America's economic woes.

Commentators claim many have cut back on spending amid uncertainty over job security, while low and middle-income Americans have reined in spending in the face of higher gasoline prices. Analysts said Wal-Mart faced a "stand-off" with shoppers, stepping up its discounts as the festive season wore on, as consumers waited longer to get the best bargains. However, experts added that if prices had not been cut across the sector, Christmas sales - which account for nearly 23% of annual retail sales - would have been far worse. "So far, we are faring better than expected, but the results are still split," Ken Perkins, an analyst at research firm RetailMetrics LLC, told Associated Press. "Stores that have been struggling over the last couple of months appear to be continuing that trend. And for stores that have been doing well over the last several months, December was a good month." Overall, December sales are forecast to rise by 4.5% to \$220bn - less than the 5.1% increase seen a year earlier.

One discount retailer to fare well in December was Costco Wholesale, which continued a recent run of upbeat results with a better-than-expected 8% jump in same store sales. However, the losers were many and varied. Home furnishings store Pier 1 Imports saw its same store sales sink by a larger-than-forecast 8.8% as it battled fierce competition. Leading electronics chain Best Buy, meanwhile, missed its sales target of a 3-5% rise in sales, turning in a 2.5% increase over the Christmas period. Accessory vendor Claire's Stores also suffered as an expected last minute shopping rush never materialised, leaving its same store sales 5% higher, compared to a 6% rise last year. Jeweller Zale also felt little Christmas cheer with December sales down 0.7% on the same month last year. "This was not a good period for retailers or shoppers. We saw a dearth of exciting, new items," Kurt Barnard, president of industry forecaster Retail Consulting Group, said. However, one beneficiary of the desertion of the High Street is expected to be online stores. According to a survey by Goldman Sachs & Co, Harris Interactive and Nielsen/Net Ratings sales surged 25% over the holiday season to \$23.2bn.