



Dessie Hoppes

From: Tom Boni <tomboni@townofeagle.org>
Sent: Thursday, February 23, 2012 12:08 PM
To: 'Dessie Hoppes'
Subject: FW: ERS article submission

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From: Paul Witt [mailto:pwitt@wittcommunications.com]
Sent: Monday, February 20, 2012 7:46 AM
To: tomboni@townofeagle.org
Cc: 'William Clinkenbeard'; 'Jeff McMahon'
Subject: ERS article submission

To the Eagle Board of Trustees:

The following Associated Press article appeared on The Wall Street Journal web site on February 2, 2012. Retailers in the country overall did well, particularly Costco and Target, as did higher end stores, all which are the types of stores that ERS is able to attract. Although as it's noted in the article people are still cautious about where and how to spend their money, indicators continue to move in the right direction. If Eagle is going to benefit from what appears to be a correcting economy, now is the time to get projects on the ground.

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Retailers deliver solid sales gains for January

Associated Press

NEW YORK — Americans were shopping in January, but not every store was feeling the love.

Retailers reported mixed sales results for the month in a sign that U.S. consumers continue to be cautious about when and where they spend their money in the shaky economy

Overall, merchants on Thursday reported a 4.8 percent increase for January, according to the International Council of Shopping Center's tally of 20 retailers. That's above the 3 percent gain that ICSC had expected.

But the results were divided. Retailers like Target that sell basic household goods did well, as did chains like Saks that cater to wealthier shoppers. Meanwhile, Macy's and other stores that sell mid-price clothing posted disappointing results.

"The take away is that the underlying demand is still there, but business continues to be uneven," said Michael P. Niemira, ICSC's chief economist. "It was definitely a divided picture."

The results provide a glimpse into the psyche of the American consumer. January typically is the time when stores offer deep discounts on winter stuff so they can clear it out to make room for spring merchandise. This past January, the average consumer continued to focus more on buying what they need, while unseasonably warm weather made markdowns on puffy coats and furry boots at mid-priced chains unappealing.

Industry watchers look closely at retailers' monthly sales numbers, but only a small number of retailers report those figures. Home Depot, Best Buy and even Wal-Mart, the world's largest retailer, don't report monthly revenue. A fuller picture of January spending will come in a government retail sales report that will be released Feb. 14.

There's no doubt, though, that retailers have been affected by consumers' finicky shopping habits. January's reports of revenue at stores open at least a year — a gauge of a retailer's health — show that Americans were most willing to shop at discounters and wholesale clubs that offer more of a variety in merchandise.

Costco continued its streak, reporting that revenue at stores open at least a year climbed 8 percent, helped by higher gas prices. Results topped expectations the 6.1 percent predicted by analysts polled by Thomson Reuters.

Target Corp. also said revenue at stores open at least a year rose beat Wall Street estimates. The retailer reported a 4.3 percent in January, compared with the 2.1 percent expected by analysts. The company said in a recording that some of its strongest performers were shoes, health care products and boys' and girls' clothing.

The luxury sector also did well as well-heeled shoppers continued to buy. Saks Inc. posted revenue at stores opened at least a year that rose 10.5 percent during January, driven by sales of women's apparel, handbags and men's accessories.

Meanwhile, stores that sell clothing faced big challenges due in part to the weather. The Bon-Ton Stores Inc. reported a 3.5 percent decrease in revenue at stores opened at least a year. Tony Buccina, president of merchandising, blamed the poor performance on the mild winter.

"January sales were below expectations due to the continuation of the milder weather in our markets, which had an adverse impact on sales of cold-weather merchandise and comprised the majority of our sales shortfall," he said.

Macy's posted a 2.4 percent increase, which was "weaker than anticipated," said the chain's CEO Terry J. Lundgren. Still, the retailer raised its guidance for the fourth quarter and full year based on stronger sales earlier in the quarter. Macy's said it continues to benefit from its move to tailor merchandise to local markets.

"The fourth quarter was our strongest in many years, and demonstrated the continued progress in improving the fundamentals in our business," Lundgren said in a statement.

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