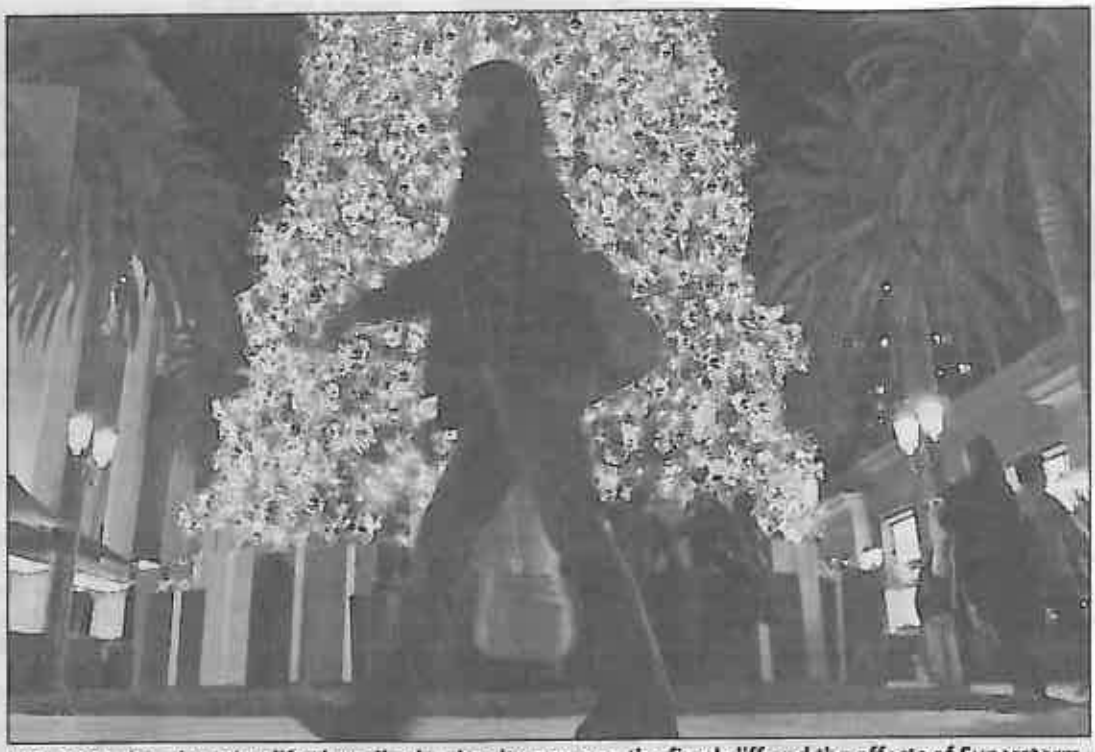


Late December shopping lifted retail sales despite news on the fiscal cliff and the effects of Superstorm Sandy, Retail Metrics reported Thursday. CHRIS CARLSON/AP

December retail rises despite Sandy, cliff

Results exceed what most thought would be a lackluster end to year

By Hadley Malcolm
USA Today

December retail sales ended on a high note, with better-than-expected results, despite setbacks in the form of Superstorm Sandy and fiscal cliff-weary customers.

Sales for the month rose 4.8 percent excluding drug stores, according to Retail Metrics, whose most recent forecast was for a 3.4 percent gain.

Costco and Nordstrom led the gains with sales increases of 9 percent and 8.6 percent respectively, said Retail Metrics President Ken Perkins. TJ Maxx and Ross stores both had 6 percent gains, exceeding expectations for those brands.

"A few retailers had a strong month, and it really lifted the number up," Perkins said. "That final week was stronger than most of us thought it was."

Still, some retailers felt the effects of Sandy.

» Macy's sales increased 4.1 percent at stores open at least a year. Sales increased 2.5 percent for November and December combined though, which was less than was expected, CEO Terry Lundgren said.

The growth "came amid some significant headwinds from uncertain economic news and the lingering effects of Hurricane Sandy," he said.

» Target had flat sales compared with last year; there was just a 0.8 percent increase in total sales.

» Limited Brands, which owns Victoria's Secret, saw sales increase 3 percent, but that was below analyst expectations for the company, which has seen increases of at least 5 percent every month the past year. "The primary drag was the 24-hour news cycle on the fiscal cliff," Perkins said.

Retailers could see some sales made up in coming weeks as consumers redeem gift cards. Gift cards were projected to be the most popular holiday gift option, with 81 percent of shoppers saying they planned to buy at least one, according to a National Retail Federation survey. They aren't counted as part of a retailer's sales though until they are redeemed.

"The post-Christmas period is when that starts," said Michael Niemira, chief economist for the International Council of Shopping Centers.

ONLINE SHOPPING UP

E-commerce was up 16 percent for the entire holiday season as of Dec. 21, the most recent period for which there is data, according to comScore.