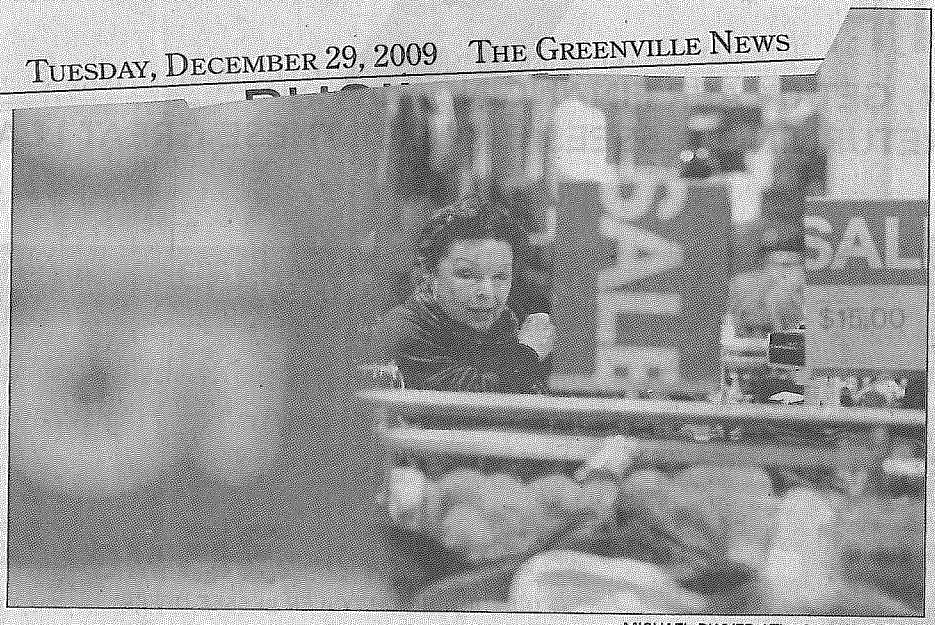
Many retailers have to restock

TUESDAY, DECEMBER 29, 2009 THE GREENVILLE NEWS



MICHAEL DWYER / The Associated Press

Shoppers sift through sales at a clothing store at the CambridgeSide Galleria mall in Cambridge, Mass.

Sales exceeded most expectations

Pickings slim as stores kept inventory tight to maximize profits

By Mai Anderson
THE ASSOCIATED PRESS

ATLANTA — Retailers have thin inventories after coming out of Christmas with slightly better-than-expected sales.

Some retailers kept inventory so low they've had to bring in new merchandise to restock shelves, a rare move this soon after Christmas.

That's good news for their bottom lines. But it means slim pickings for shoppers hoping for after-Christmas clearance sales. Shoppers looking for big sales should act quickly because there are relatively few leftovers to clear out.

"Retailers are much more nimble this year," NPD analyst Marshal Cohen said. "Their 'Plan B' is to have new receipts at the ready."

Cohen said he noticed J. Crew and Coach were two that had restocked shelves with new items.

Because their ordering was in line with weak demand, retailers were able to sell more items at higher prices, which is critical to profits. Last year, profits were hammered by discounts.

"The latest holiday shopping season wasn't a rip-roaring success, but at least it met or slightly exceeded expectations," said John Lonski, chief economist of Moody's Capital Markets Research Group. "Consumer spending is indeed in a recovery mode, which brightens prospects for 2010."

Spending rose 3.6 percent from Nov. 1 through Dec. 24 compared with the same period last year, according to MasterCard Advisors' SpendingPulse, which estimates all forms of payment including cash. Adjusted for an extra shopping day between Thanksgiving and Christmas, the number was closer to a 1 percent rise. That was still better than the flat sales analysts had predicted.

Some retail stocks rose on Monday. American Eagle Outfitters shares rose 48 cents, or 3 percent, to $16.80. Macy's Inc. shares rose 19 cents to $17.76. J.C. Penney shares rose 36 cents to $27.38.

After-Christmas traffic also appeared to be relatively robust, though it wasn't clear how much people were actually spending.