

July 09, 2009 1:38 PM

## Retail's sales wash out in June

***June's heavy rains contribute to another disappointing month for retailers as same-store sales fell an average 4.7% last month.***

By Adrienne Pasquarelli

June's rainy drizzle made for a dreary month in same-store sales for retailers. On average, sales fell 4.7% last month, according to tracking firm Retail Forward, which follows 32 retailers. In May, the decline was 4.2%.

"Shoppers appear to be divided about whether they need to make more changes in their shopping habits," said Frank Badillo, senior economist at Retail Forward, in a statement. "And that seems to be contributing to the month-to-month ups and downs in the retail sales numbers."

The department store sector experienced continued declines. Same-store sales at Macy's Inc. were down nearly 9% last month. The chain's less pricey competitor, J.C. Penney Co., which will be opening its first flagship in New York at the end of July, posted an 8.2% drop.

Luxury goods sellers fared little better. Same-store sales at Saks Fifth Avenue fell 4.4%, but the retailer cautioned that the modest decline is attributed to a shift in a designer shopping event from May to June. A Saks representative explained that the two-month same-store decline of 15.2% from May through June is a more accurate measure of Saks' current sales performance. As a result, shares of Saks were down almost 10% by mid-day trading. June same-store sales at Neiman Marcus, owner of Bergdorf Goodman, were down 20.8%.

Teen mall retailer Abercrombie & Fitch, which made headlines recently by closing its pricier New York-centered Ruehl division, saw a whopping 32% drop in June same-store sales, its second worst monthly decline in the last 12 months. Trendy American Apparel and Gap also cited June declines, with same-store sales falling 13% and 10%, respectively.

Yet not all retail sales were in the red.

"Stores that have established a strong value positioning in the minds of the consumer are continuing to win market share," said Sapna Shah, principal at Retail Eye Partners. Indeed, bargain teen apparel store Aéropostale posted a 12% increase in June same-store sales, well before the back-to-school rush. TJX Cos., owner of designer discount stores TJ Maxx and Marshall's, cited a 4% boost.