Same-Store Sales Decline Holds Steady in January, TNS Retail Forward Reports

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Largely because of Walmartâ€™s improved performance, the composite decline in retail same-store sales held steady in January for about 40 retailers reporting monthly results today, TNS Retail Forward reports.Â

January same-store sales declined 1.4% on a sales-weighted composite basis.Â That was a shade better than the 1.5% decline reported for December and down from the 1.0% gain reported in January of 2008

â€œFor Walmart, the low-income shoppers that withdrew in December came back in January.Â So while sales remain down overall, shoppers are giving signs that they do not necessarily intend to cut still deeper into their retail spending,â€• said Frank Badillo, Senior Economist at TNS Retail Forward.

Januaryâ€™s results were led by Discount Department Stores, notably Walmart.Â Lagging were all other channels, particularly Department Stores and Apparel and Accessory Stores.Â

The loss of low-income shoppers that may have hurt Walmartâ€™s performance in December diminished in January, according to the monthly ShopperScape survey by TNS Retail Forward.

In December, Walmart had a significantly smaller share of shoppers with incomes under $25,000 among shoppers that had shopped at Walmart during the prior four weeks.

At the same time, Walmart had a significantly larger share of shoppers with incomes more than $100,000 among shoppers that had shopped at Walmart during the prior four weeks.

The loss of low-income shoppers may have hurt Walmart because they make nearly one more shopping trip to Walmart each month than upper-income shoppersâ€”and each income segment spends similar amounts per shopping trip on average.

The shift in shopper mix from low-income toward upper-income resulted in a significant increase in the average income of shoppers in December that had shopped at Walmart during the prior four weeks.

These income-related shifts at Walmart were not as significant a factor in January as they were in December.
Shoppers gave other signs in the January ShopperScape survey that cuts to retail spending may not get too much worse in the coming month:

Shoppersâ€™ intention to spend looked a bit more positive in January for a change.Â The share of shoppers planning to spend more in the coming month climbed by three percentage points in Januaryâ€”the first increase since September.Â That increase outweighed an uptick (by one percentage point) in the share of shoppers planning to spend less in the coming month.
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Shoppersâ€™ perceptions of their household financial health also improved across most measures, except for wealth-related measures.Â The share of households that feel â€œworse offâ€• in terms of job security, incomes, credit card debts and mortgag or car payments held steady or improved in January.Â The share that feels â€œworse offâ€• in terms of investments and home value edged higher.
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While there may be positive signs among shoppersâ€™ overall intentions to spend in the coming month, shoppersâ€”particularly female shoppersâ€”plan to cut back on Valentineâ€™s Day spending this year. However, more shoppers than in past years are participating in Valentineâ€™s Day, which will mitigate some of the negative impact of plans to decrease spending.

More than one-fifth of men (22%) and nearly one-quarter of women (24%) plan to spend less on Valentines gifts this year.Â Thatâ€™s an increase of 8 percentage points among men and seven percentage points among women compared with last year.
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A few men (7%) and women (4%) plan to spend more this year, but thatâ€™s down by five percentage points among men and two percentage points among women compared with last year.

Among men, 27% do not plan to purchase Valentineâ€™s Day gifts, which is fewer than the 30% last year. Among women, 34% do not plan to purchase gifts, which is only slightly fewer than last year.

About TNS Retail Forward
TNS Retail Forward (www.retailforward.com Â») is a global management consulting and market research firm specializing in retail intelligence and strategies. The company's syndicated research and executive development program known as the Retail Forward Intelligence System, provides members with an authoritative perspective on the retail and consumer products industries.

About the TNS Retail Forward ShopperScape
The TNS Retail Forward ShopperScape survey is conducted each month with a sample of 4,000 U.S. primary household shoppers. The monthly survey is conducted online among a nationally representative sample of households. This month's survey was conducted during the last week of last month.

Results from the survey are available to members of the Retail Forward Intelligence System as well as through individual reports available for purchase. For more information on ShopperScape or the Retail Forward Intelligence System, contact Kathy Clarke (kclarke@retailforward.com Â») or visit the company's web site at www.retailforward.com Â».

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