

Retail industry will regroup, McTevia tells Saginaw News

Rocky Christmas will cause retailers to regroup
by Paul Wyche | The Saginaw News
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Retailers will regroup after a rocky Christmas, a Bingham Farms analyst says.

Official holiday sales totals aren't in yet, but Jim McTevia said merchants likely won't break any records. The fall-off will result in more bankruptcies and downsizing, "much like what's happening in the auto industry," said McTevia, owner of McTevia & Associates.

"There will be more stores cutting back and others going out of business altogether in 2009. But I'd still rather be in the retail business than an automaker."

Retail "speaks to one of mankind's three basic needs," McTevia said -- food, shelter and clothing. "You can always ride a bike or hitchhike, but you can't go nude."

Some retail watchers have targeted Kmart and its parent, Sears, plus Home Depot, OfficeMax, Macy's and others as on the bubble.

McTevia, however, said even with Macy's closing nine stores last year, he doesn't consider the retailer "as part of that tier of stores" looking to shutter locations.

"There are some rumblings, since everybody had a rough holiday season, but I don't see Macy's as doing anything drastic," he said.

Macy's spokesman Jim Sluzewski said the company typically studies stores that are underperforming, "but we haven't identified" any for 2009.

The Cincinnati-based chain has a store at Fashion Square Mall in Saginaw Township, its only outlet in the Tri-Cities. Staffers at the store said Christmas sales were less than spectacular, but they doubt their outlet would find itself on the chopping block.

Meanwhile, ShopperTrak RCT Corp. of Chicago, which measures retail sales and customer traffic at more than 50,000 stores, lowered its estimates for sales and traffic for the period between Thanksgiving and Christmas.

The company expects a 2.3 percent decline in sales and a 16 percent drop in foot traffic, compared to an earlier forecast of a 0.1 percent slip in retail sales increase and 9.9 percent drop in traffic.