

Warm temps have retailers sweating out sales - NYPOST.com

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It's too darn hot — if you're trying to sell sweaters, ski jackets and snowblowers, that is.

Above-normal temperatures have lingered across the eastern US since the start of the holiday shopping season, forcing retailers to take unusually steep and early markdowns on winter supplies ranging from woolen overcoats to rock salt.

The profit picture is especially grim for chains like Modell's Sporting Goods which, in a widespread industry practice, ordered heaps of holiday merchandise based on the weather a year ago, when a flurry of wintry storms whipped the East Coast.

"We bought almost triple the inventory because last year we had sold out on a lot of key items by early December," CEO Mitchell Modell told The Post.

"In our 122-year history, we have never taken prices this deep this early," Modell added, noting that prices on Columbia Sportswear jackets already were slashed by as much as 50 percent.

Since the week of Thanksgiving, temperatures across the Northeast have been 11 degrees warmer than last year, according to Weather Trends International.

That's the biggest year-on-year increase in at least 20 years and could tank demand for cold-weather clothing by as much as a third, says Bill Kirk, co-founder and CEO of the Bethlehem, Pa., consulting firm.

"It's such a huge change, you couldn't have been totally prepared for it," Kirk said.

While department stores, specialty-apparel chains and home-improvement retailers will be hard-hit, the warm weather has heated up customer traffic overall, analysts note. Beneficiaries could include sellers of iPads, videogames and other gadgets, helping drive an industry-wide increase of 3.5 percent in holiday sales, according to the International Council of Shopping Centers.

Still, the trade group notes that apparel sales nationwide have inched up just 0.4 percent during the past two months, compared with a gain of 2.6 percent during the past fiscal year.

"Part of the problem is that the warm weather has been so relentless," says Michael Niemira, chief economist at the trade group. "There haven't been any significant storms to get people into the sweater-buying mood."

To make matters worse, the balmy trend is showing no signs of letting up, and will likely continue at least into early January, according to Scott Bernhardt, president of weather-consulting firm Planalytics.

On the positive side, nationwide chains are benefiting somewhat from unusually cold weather on the West Coast. That may allow some to shunt slow-moving outerwear from East Coast stores.

"Last year was frosty, and there were a couple of major snowstorms — that really big one after Christmas," Bernhardt said. "But this year, that's not going to happen."

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