

Turnaround efforts at Target sees revamped home section

Marking its first anniversary under new leadership, Target, USA saw its turnaround efforts begin to pay off in the second quarter when the discounter made significant comp strides in key categories, including the recently retooled home department.

Comps of designated "signature" categories - comprised of the Style (apparel, accessories and home), Baby, Kids and Wellness departments - grew three times faster than the company average, resulting in comp growth of 4% to 5% in both home and apparel, noted chairman and ceo Brian Cornell.



Total sales for the period, ended Aug. 1, were up 2.8% to \$17.4 billion, reflecting a 2.4% increase in comp sales combined with sales from new stores. Digital channel sales grew 30%, also driven in part by home, and contributed 0.6 percentage points to comparable sales growth. Quarterly net earnings climbed 222% to \$753 million and GAAP earnings per share were up 96% to \$1.21 from \$0.61.

In the quarter, home was among the best performing categories, with décor and seasonal goods leading the way, buoyed by Target's recently revamped back-to-school/campus program. For the six months, net earnings were up 113% to \$1.38 billion from \$653 million a year ago, with diluted EPS up 46.8% to \$2.23 from \$1.52. Sales for the six months rose 2.8% to \$34.5 billion from \$33.6 billion. Encouraged by its second quarter performances, Target updated its full-year adjusted EPS to a range of \$4.60 to \$4.75, compared with prior guidance of \$4.50 to \$4.65. ■

Source: Home & Textiles Today

Back-to-Campus shopping lags behind says NRF

The pace of shopping for the Back-to-Campus season is lagging compared to last year, according to the National Retail Federation. NRF's Back-to-College Spending Survey found 49.1% of students and their families have completed shopping, down from 53.7% at this time last year. But the number of people who haven't done any shopping - 24% - is an improvement over last year's 26.2%, per the research conducted for NRF by Prosper Insights & Analytics.

The 48.1% of shoppers who are motivated by coupons, sales or promotions on BTC merchandise is on par with last year. They are shopping for bedding, apparel and other products at discount stores (46.3%), department stores (38.8%), clothing (28.8%) and electronics stores (20.3%). The average family with children in grades K-12 has completed just half (50.4%) of their shopping - roughly on track with 49.9% in last year's survey. "Late summer promotions and sales tax holidays around the country are likely contributing to the delay in back-to-school shopping this year, which means the next few weeks could be exceptionally busy for retailers large and small," said NRF president and ceo Matthew Shay. The survey polled 6,758 consumers from August 4-11 and has a margin of error of plus or minus 1.2 percentage points. ■ Source: Home & Textiles Today

July furniture sales rise 0.8% sales increase 6.1% from July 2014

Sales at furniture and home furnishings stores rebounded in July to \$8.67 billion, up 0.8% from the month before, the US Department of Commerce reported. The gain compared to one of the steepest decreases in June from May among the retail and food service sectors tracked by the government. July furniture stores sales were up 6.1% over the same month last year for one of the strongest sector gains this time around. Total U.S. retail and food services sales increased an estimated 0.6% in July over June to \$446.5 billion and were up 2.4% from July 2014.

Non-store retailers - primarily e-commerce and catalog businesses - posted the best monthly percentage gain, with July 2015 sales up 1.5% over June, and up 6% from July a year ago.

Electronics and appliance stores, the strongest performer in June, were the laggards this past month with a 1.2% decrease from June and a 2.5% sales decrease from July of last year. ■ Source: Furniture Today

