

Early data point to bubbly US holiday sales

December 26 2019



Holiday shoppers earlier this week in New York

Early data on the 2019 holiday shopping season released Thursday suggest Santa Claus was a bit more generous this year as he shifted more into omnichannel mode.

A report from Mastercard Spending Plus estimated [retail sales](#) increased

3.4 percent compared with last year, with the biggest gains coming in [e-commerce](#).

Analysts had broadly expected a shopping season based on low unemployment in the US and improved wages, as well as a buoyant stock market.

Still, estimates have varied somewhat, with some reports projecting sales gains of more than five percent as retailers resort to heavy promotions, and branch into [online sales](#) and a hybrid that includes in-store pickup for internet purchases.

Mastercard's sales data beat the company's initial projection for growth of 3.1 percent.

"E-commerce sales hit a record high this year with more people doing their holiday shopping online," said Steve Sadove, senior advisor to Mastercard in a [press release](#).

"Due to a later than usual Thanksgiving holiday, we saw retailers offering omnichannel sales earlier in the season, meeting consumers' demand for the best deals across all channels and devices."

The Mastercard report, which covers November 1 through December 24, estimated e-commerce growth at 18.8 percent.

Department stores suffered a 1.8 percent decline in overall sales, but their online sales grew by 6.9 percent, according to the data.

Many analysts say it is still too soon to have a full view of the overall season, pointing to the need to take into account item returns and gift cards that take place between now and New Year's.

The National Retail Federation had estimated a four percent increase in holiday sales to about \$730 billion, with "Super Saturday"—the Saturday before Christmas—emerging as the biggest shopping day of the year.

However, NRF will not release its post-mortem until mid-January after US government issues its report on retail sales data, a spokesman for the organization said.

Parcel delivery company UPS expects a 26 percent spike in shipping on January 2, which it has dubbed "National Returns Day" because it likely will see the most gifts return at 1.9 million packages entered into its network.

"This process is a change from years past, when consumers would rush to physical retailers the day after Christmas and stand in long lines to make returns," UPS said.

Investors will get a fuller picture for individual retailers during quarterly reporting season, which will show profitability of companies like Walmart, Macy's and Best Buy and others using aggressive promotions to entice shoppers. Shares of retailers were mixed Thursday.

Meanwhile, e-commerce giant Amazon said it enjoyed another "record" holiday [season](#), but the company is not expected to report results until late January or early February.

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