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Wal-Mart prepares for Christmas price cuts

BENTONVILLE, Ark. (UPI) -- Wal-Mart is preparing a round of Christmas-season price cuts that are making smaller U.S. competitors nervous, analysts say.

With another weak Christmas retailing expected, the giant is using its size and clout to grab yet more business from competitors, offering such deals such as an HP notebook computer for \$298 (normally \$448) and a Sharp 52-inch flat-panel television for \$898 (normally \$1,548), the Los Angeles Times reported Saturday.

"They put a stake in the ground and said, 'We will not be beat this holiday season,'" Joe Feldman, a senior retail analyst at Telsey Advisory Group, told the newspaper. "Without question, everyone has to look out for Wal-Mart."

"Wal-Mart's pricing strategy will allow consumers to save millions while at the same time keep pressure on its competitors," added Todd Slater, an analyst at Lazard Capital Markets.

But competitors Kmart and Target say they are also dropping their prices.

"We're certainly ready to compete," Chris Brathwaite, a spokesman for Kmart's parent company, Sears Holdings Corp., told the Times.

"Last year shoppers migrated to us because they were seeking value," Gary Severson, senior vice president of entertainment for Wal-Mart's U.S. division, told the newspaper. "I don't see this year being dramatically different."