

Holiday sales of computers only ho-hum

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SAN JOSE, Calif. — Too many consumers said "Bah, humbug" to computers this Christmas, according to several disappointed retailers.

An informal survey of computer retailers nationwide showed that sales in the fourth quarter — typically the busiest computer-buying period — did not live up to expectations. Computer retailers had hoped sales would be up 10 percent to 20 percent over last Christmas season.

Luckily for many computer retailers, who have struggled through nine months of flat sales and bloody price wars, strong year-end sales to businesses helped salvage the quarter. Those results fit into projections from Future Computing Inc. of Richardson, Texas. It had forecast that home computer sales would decline slightly to \$1.7 billion in the fourth quarter and that office sales would leap by one-third to \$4.4 billion — most of it in December.

"The whole market is off considerably, although business (sales) have been very strong," said Bob Benson, manager of Computer Town of Salem, N.H.

Last December, Benson's store sold 1,010 computers; this year's December sales were down to 700.

"Christmas is not as strong as in past years," said Armand Shapiro, chief financial officer of ComputerCraft, a 31-store chain based in Dallas.

"This is not a computer Christmas," said Ed MacDowell, owner of the Inacomp Computer Center in Pontiac, Mich.

San Jose's Businessland chain and Wolf Computers of Los Gatos, Calif., reported an increase in sales over last year. But other San Jose-area dealers said that store traffic was much slower.

"It's been very, very slow," said Christy Connor, sales manager for Computer Plus in Sunnyvale.

Consumers this year seem to have considered their purchases before coming into the store, she said. "We're seeing pretty qualified, serious buyers — but very few of them."

Markham Petty, general manager for the CompuShop store in Los Gatos, said, "It is quite a bit slower, probably down 25 percent," even though some systems, such as the Compaq, are selling well to business people.

Commodore International Ltd. and Atari Inc. haven't fared well this holiday season. Some stores around the country report healthy sales of Commodore's Amiga and Atari's new ST to computer hobbyists, but both computers arrived too late and with too little software to make a big splash in the Christmas market.

Apple, with more dealers, more software and heavier production, had a cheerier season because of strong sales of the IIe and IIc models, dealers say. But Apple expects fourth-quarter sales to be only \$500 million, down considerably from last Christmas' record \$698 million — and that's without any competition from IBM, which only had leftover PCjr's for consumers this season.

Apple's Macintosh generally wasn't a strong player this Christmas, and some suspect that buyers are holding off until Apple introduces an enhanced version, called the Mac Plus. Apple is expected to unveil the new machine in mid-January.

Unlike last Christmas, when IBM's \$30 million television ad campaign for the low priced PCjr drove consumers to stores, this season was low-key.

For some dealers like Jay Gottlieb of The Computer Factory in New York, sales are up strongly — nearly 80 percent — but prices are discounted as much as 30 percent, cutting deeply into profits.

In states, such as Idaho and Kansas, winter weather and a shorter Christmas buying season conspired to keep store traffic down until the last few days before Christmas.

"The flood gates burst in the last five days. Up to then, sales were slower than anticipated," said Charles Myers, president of the Personal Computer Center in Overland Park, Kan. "My fourth-quarter sales will be up 25 (per-