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Saks Off 5th opens for business in S.A.

[By Creighton A. Welch](#) - Express-News

Luxury retailer Saks Inc. opened Saks Off 5th at The Rim on Thursday, beefing up San Antonio's discount store repertoire.

And with a slow economy, discount and off-price stores just might be the way to go for retailers.

“Yes, I do think the discounters are doing well,” said Chuck Siegel, a retail expert with Rohde, Ottmers & Siegel Realty Services in San Antonio. “I think this is an economy that certainly works to their favor.”

The new Off 5th — which is located next to Nordstrom Rack, another off-price retailer — offers shoppers 28,000 square feet of discounted clothing, jewelry, handbags, sunglasses and shoes.

On opening day, the parking lot was near capacity, and many in the mostly female shopping crowd took advantage of in-store coupons and promotional offers.

“What we can bring to The Rim is a fashion luxury product and some of the best brands around at a value price,” said Rob Wallstrom, president of Off 5th and former general manager of the Saks at North Star Mall. “I think right now the customers appreciate a great value even more than they did in the past.”

Off 5th isn't the only discount store likely to see success in a slow market that has been especially tough on retailers. Siegel said such stores as Ross Dress for Less, Big Lots and “dollar” stores will benefit.

Ross Stores Inc. reported its fourth-quarter 2008 results Thursday and said its sales jumped 5 percent and its earnings per share increased 9 percent compared with the fourth quarter of 2007.

“As a general rule, during the challenging economic times is when the discounters and

off-price stores tend to show a lot of strength,” said Kim Gatley, senior vice president and director of research for NAI REOC Partners, a San Antonio real estate company. “Consumers are looking for the bargains and are buying the brand names at the lowest prices they can find.”

Discount retailers themselves also stand to benefit because full-price department stores are selling off excess inventory at lower-than-normal prices.

“This enabled us to deliver fresh and exciting assortments of sharply priced name brand bargains to our customers,” Michael Balmuth, president and CEO of Ross Stores said in a statement.

The new Off 5th also is reaching out to discount-conscious shoppers by moving away from its typical location in outlet malls.

“They're telling you something right there, that a traditional customer who shops at Saks might trade down and they don't particularly want to wait to run out to the outlets,” said Siegel, who is the former CEO of discount retailers Solo Serve Corp. and 50-Off Stores Inc.

Off 5th now has 51 stores in 23 states. In Texas, that includes locations at outlet malls in San Marcos and in Mercedes.

Patrick Spence, 22, shops at the full-line Saks at North Star about once a month, and said he likely will start shopping at both stores now.

“It'll be a great way to save some money,” said Spence, who visited Off 5th on Thursday.

“It makes sense to buy the same quality stuff for cheaper,” he said.

San Antonio likely can support two Saks stores as the Off 5th may bring in new Saks shoppers, Gatley said.

“We feel we are capturing a new customer,” Wallstrom said.

“We find that we get customers who might have been shopping at other retailers in the past, and they like the opportunity to take advantage of the better brands or fashions.”

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