

Bulletin

U.S. Data

Advance February 2004 Retail Sales • Released March 11, 2004

THIS ISSUE SPONSORED BY IBM



LEAPIN' SALES

An extra day banked into a weekend assisted to push an already phenomenal retail sales growth rate even higher. The fact that February 29 occurred on a Sunday was only one small part of the stunning sales growth witnessed during the first two months of 2004. All Stores came up just shy of double-digit growth (9.9%) buoyed by very broad based growth. Gains were felt across all store categories as well as high-end and mid-market retailers. Recent comp stores sales by leading retailers were in the high single to double-digit growth rate range.

While last year was particularly weak, as most store categories recorded negative growth, there was no denying that the unique combination of cold weather and amazing spring fashions boosted sales. The cold weather that affected most of the North East helped to drive winter related items during February. But the buying did not stop there. While consumers were buying that extra sweater for warmth, they were also snatching up the hot new spring fashions in anticipation of warmer weather. Retailers were able to unload their winter fashions and push the spring line-up at the same time. The result: Clothing and Accessory Stores sales grew by 13.1% in February. Consumers are tired of the drab colors. The boring beiges and grueling grays that helped to characterize the War in Iraq are gone. In their wake, they are replaced by bold and daring colors. Consumer's want to feel good about themselves and retailers responded with a bright and cheery line up.

Even Department Stores, which had been in a negative growth situation for a time, grew by 4.5%.

As stated, other store categories performed well in a very broad based growth situation. Building Material and Garden Equipment Stores led by gaining 15.6% over last year. Electronics and Appliance Stores followed closely at 14.8%. Consumers are still in a strong demand mode for big-ticket appliance items fueled by a strong housing market and very low interest rates. Food Services and Drinking Places served up 14.3% growth adding to continued good news in terms of consumer sentiment.

Despite the good news, the Consumer Confidence Index did fall just over nine points in February. However, it is difficult to say whether the fall is a trend or whether consumer confidence has settled into the 90-point range. No doubt, economists and political advisors have mixed messages regarding the economic health of the nation.

For now the signs are tracking well for a strong year for retail sales pumped up by a very optimistic outlook by the retailers themselves.

BRINGING THE CUSTOMER EXPERIENCE FULL CIRCLE: THE CRM VALUE CYCLE

Customer satisfaction is a key indicator of operational and financial health. Explore the CRM value lifecycle. Click the link below to read this white paper.complements of IBM. [The CRM Value Cycle](#)

RELEASE DATE OF THE NEXT NATIONAL RETAIL BULLETIN:

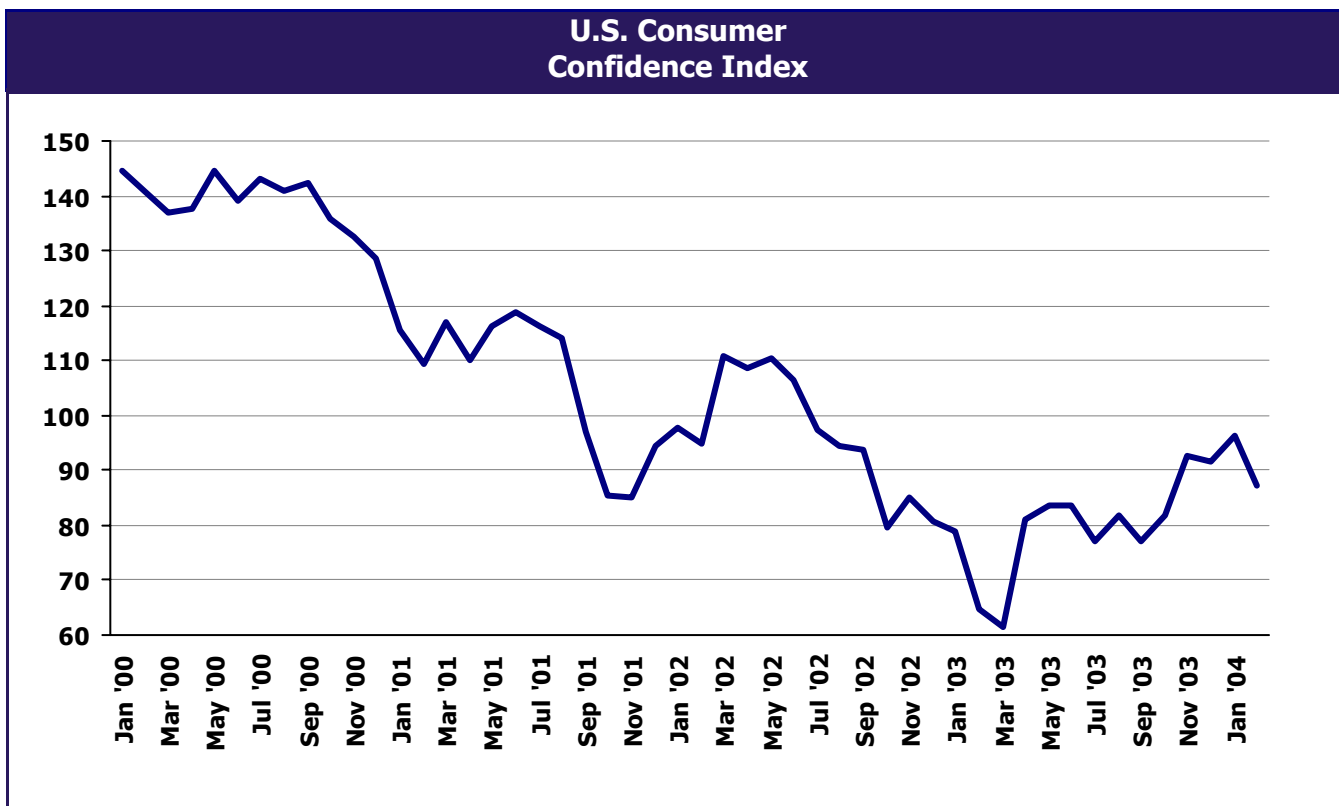
April 13, 2004

Please note:

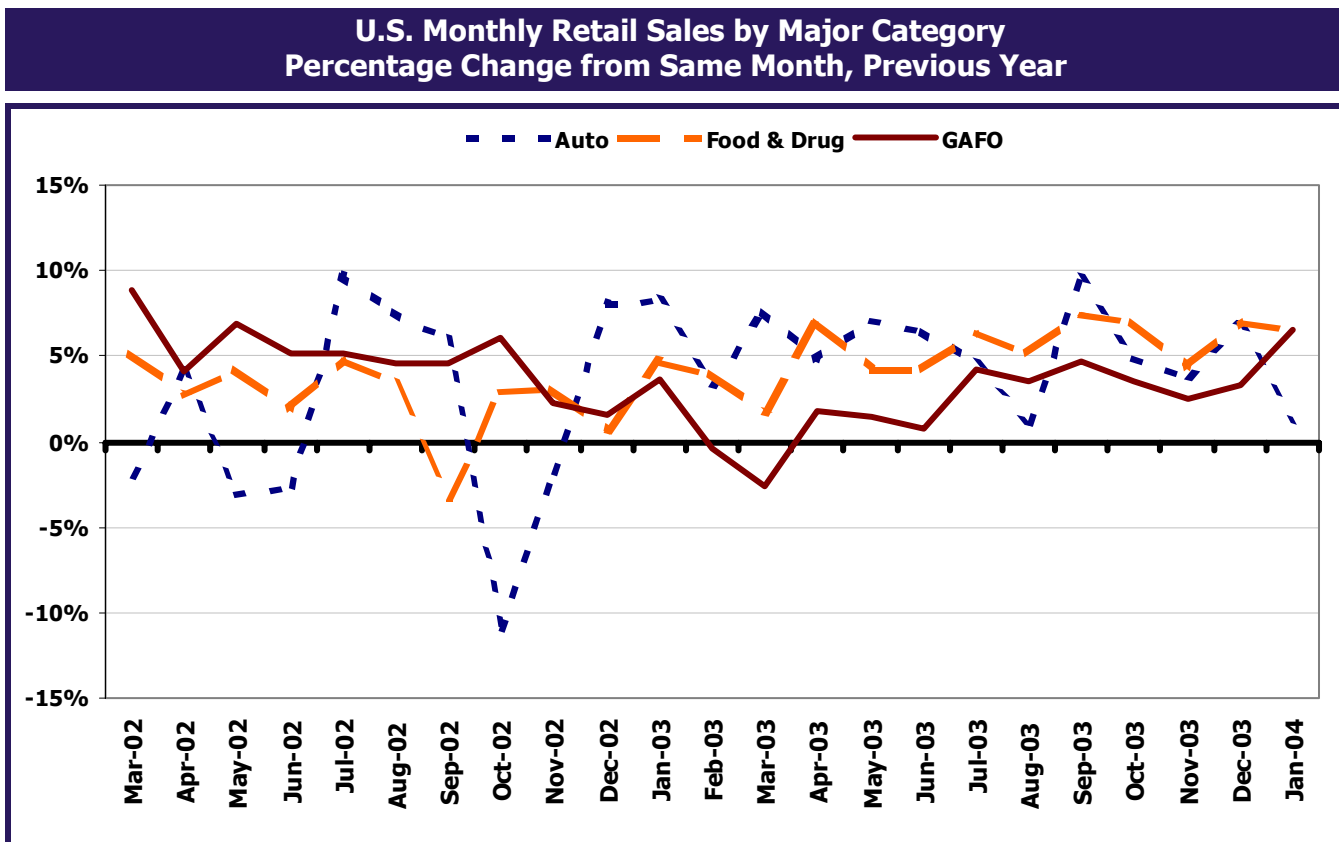
The J.C. Williams Group National Retail Bulletin compares the latest monthly release of "raw" (i.e., unadjusted for seasonality, holiday, and trading day) retail sales figures to those in the *same calendar month of the previous year*. The U.S. Census Bureau also reports seasonally adjusted sales that are compared to the *previous month within the current calendar year* to measure change in Gross Domestic Product (GDP). Although other sources use seasonally adjusted figures, J.C. Williams Group believes that using raw figures and making comparisons to the previous year's performance more accurately reflects the seasonality of the retail industry, and therefore, are more useful in analysis. Definitions can be found on the U.S. Census Website: www.census.gov.

Advance Sales for the Month of February	2004	2003	% Change
All Stores	296,387	269,569	9.9%
Motor Vehicle and Parts Dealers	71,227	13,554	425.5%
Gasoline Stations	21,055	11,699	80.0%
Food and Beverage Stores	40,404	34,493	17.1%
Grocery Stores	36,427	2,176	1574.0%
Health and Personal Care Stores	15,658	12,586	24.4%
Building Material and Garden Equipment Stores	22,115	17,296	27.9%
General Merchandise Stores	36,746	14,640	151.0%
Department Stores (excluding leased departments)	15,298	9,146	67.3%
Clothing and Accessories Stores	13,234	7,991	65.6%
Furniture, Home Furnishings, Electronics and Appliance Stores	15,506	6,928	123.8%
Furniture and Home Furnishing Stores	7,901	3,969	99.1%
Electronics and Appliance Stores	7,605	894	750.7%
Sporting Goods, Hobby, Book and Music Stores	5,471	1,815	201.4%
Miscellaneous Store Retailers	8,312	15,710	-47.1%
Nonstore Retailers	16,900	8,972	88.4%
Food Services and Drinking Places	29,759	11,613	156.3%
Year-to-Date Sales Ending February	2004	2003	% Change
All Stores	592,650	548,578	8.0%
Motor Vehicle and Parts Dealers	137,722	28,018	391.5%
Gasoline Stations	42,739	22,524	89.7%
Food and Beverage Stores	83,576	72,075	16.0%
Grocery Stores	75,723	4,429	1609.7%
Health and Personal Care Stores	32,175	25,909	24.2%
Building Material and Garden Equipment Stores	44,605	36,456	22.4%
General Merchandise Stores	71,833	28,887	148.7%
Department Stores (excluding leased departments)	29,525	18,095	63.2%
Clothing and Accessories Stores	25,036	15,969	56.8%
Furniture, Home Furnishings, Electronics and Appliance Stores	31,448	14,271	120.4%
Furniture and Home Furnishing Stores	15,922	8,150	95.4%
Electronics and Appliance Stores	15,526	1,875	728.1%
Sporting Goods, Hobby, Book and Music Stores	12,096	3,654	231.0%
Miscellaneous Store Retailers	16,699	32,636	-48.8%
Nonstore Retailers	35,173	18,874	86.4%
Food Services and Drinking Places	59,548	23,458	153.8%

Source: US Census Bureau. All values are expressed in millions of US dollars and are not seasonally adjusted.



Source: U.S. Conference Board



Source: U.S. Census Bureau