

Bulletin

U.S. Data

Advance July 2004 Retail Sales • Released August 12, 2004

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COOL SUMMER RETAILERS

A cool July brought retail sales into more stable territory. For most categories, sales during July were off their year-to-date average growth, but higher than expected. Consumers continued to shop despite higher gas prices and incremental interest rate hikes.

All Stores advanced 7.1%. Excluding Motor Vehicle and Parts Dealers and Gasoline Stations, sales grew by 7.5%. This is especially good news considering that last July was a strong month. What is interesting is that most GAFO-type categories are growing within a tighter range of one another. They range from 5.6% for Clothing and Accessories Stores to 8.5% for Building Material and Garden Equipment Stores.

Building Material and Garden Equipment Stores fell below the double-digit growth recorded in prior months, but it remains relatively solid. This category combined with Furniture, Home Furnishings, Electronics and Appliance Stores continue to show that consumers remain relatively bullish about the economy and continue to buy big-ticket items.

While Clothing and Accessories only grew by 5.6%, they have shown remarkable presence this year. Clothing is back on the radar screen especially for must-have junior fashions.

Expectations in this category are high for the second half of the year and in particular the back-to-school season. It appears that

clothing retailer initiatives are paying off in terms of better inventory control which is producing more financially sound results. Gone are the excessive clearance sales required to move inventory.

The Sporting Goods, Hobby, Book, and Music Stores performed well. Sales rose by 5.4%, which is above year-to-date growth of 3.8%. The sporting goods sector of this category is gaining momentum in the Olympic year. In addition, consolidation within the sporting goods industry (Dick's, Gaylans) is well timed producing good numbers in a very cyclical industry.

FIRST HALF RECAP

This issue of the National Retail Bulletin includes retail sales for the first half of 2004 (January to June) with a more detailed list of categories. While we stated that most major categories were in-line with one another, not all ships are rising with the same tide.

Outstanding performances were turned in by Building Material and Supply Stores (18.8%), Household Appliance Stores (15.9%), Warehouse Clubs and Superstores (15.4%), Electronic Shopping and Mail-Order Houses (12.7%), Radio, TV, and Other Electronic Stores (11.8%), and Men's Clothing Stores (11.1%).

RETAIL ON DEMAND

Looking for new ways to deliver a superior customer experience, operate stores efficiently and increase speed to market? Read this executive brochure to learn about "Retail on demand" from IBM.

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RELEASE DATE OF THE NEXT NATIONAL RETAIL BULLETIN:

September 14, 2004

Please note:

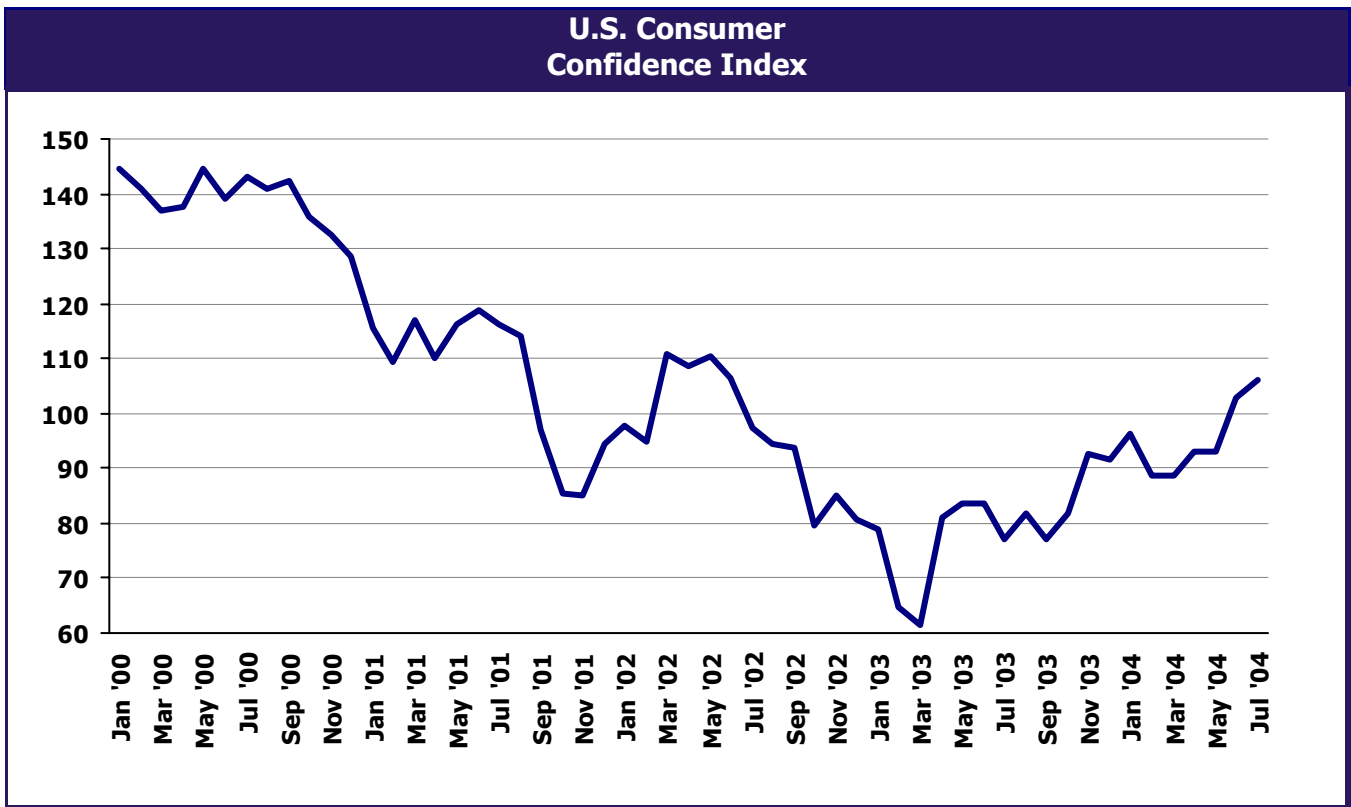
The J.C. Williams Group National Retail Bulletin compares the latest monthly release of "raw" (i.e., unadjusted for seasonality, holiday, and trading day) retail sales figures to those in the *same calendar month of the previous year*. The U.S. Census Bureau also reports seasonally adjusted sales that 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 July	2004	2003	% Change
All Stores	345,868	323,056	7.1%
Motor Vehicle and Parts Dealers	85,586	83,596	2.4%
Gasoline Stations	28,069	23,408	19.9%
Food and Beverage Stores	46,283	43,847	5.6%
Grocery Stores	41,397	39,523	4.7%
Health and Personal Care Stores	16,659	15,955	4.4%
Building Material and Garden Equipment Stores	32,351	29,820	8.5%
General Merchandise Stores	40,350	37,350	8.0%
Department Stores (excluding leased departments)	16,367	16,344	0.1%
Clothing and Accessories Stores	14,537	13,766	5.6%
Furniture, Home Furnishings, Electronics and Appliance Stores	16,808	15,662	7.3%
Furniture and Home Furnishing Stores	8,830	8,225	7.4%
Electronics and Appliance Stores	7,978	7,437	7.3%
Sporting Goods, Hobby, Book and Music Stores	6,213	5,897	5.4%
Miscellaneous Store Retailers	9,002	8,540	5.4%
Nonstore Retailers	15,348	13,951	10.0%
Food Services and Drinking Places	34,662	31,264	10.9%
Year-to-Date Sales Ending July	2004	2003	% Change
All Stores	2,290,642	2,115,570	8.3%
Motor Vehicle and Parts Dealers	552,064	526,208	4.9%
Gasoline Stations	176,972	155,040	14.1%
Food and Beverage Stores	303,802	289,776	4.8%
Grocery Stores	273,597	262,526	4.2%
Health and Personal Care Stores	116,972	109,162	7.2%
Building Material and Garden Equipment Stores	213,421	184,555	15.6%
General Merchandise Stores	271,073	250,584	8.2%
Department Stores (excluding leased departments)	112,000	111,680	0.3%
Clothing and Accessories Stores	99,035	91,436	8.3%
Furniture, Home Furnishings, Electronics and Appliance Stores	112,086	102,380	9.5%
Furniture and Home Furnishing Stores	57,914	53,443	8.4%
Electronics and Appliance Stores	54,172	48,937	10.7%
Sporting Goods, Hobby, Book and Music Stores	42,052	40,496	3.8%
Miscellaneous Store Retailers	61,969	58,378	6.2%
Nonstore Retailers	115,517	103,970	11.1%
Food Services and Drinking Places	225,679	203,585	10.9%

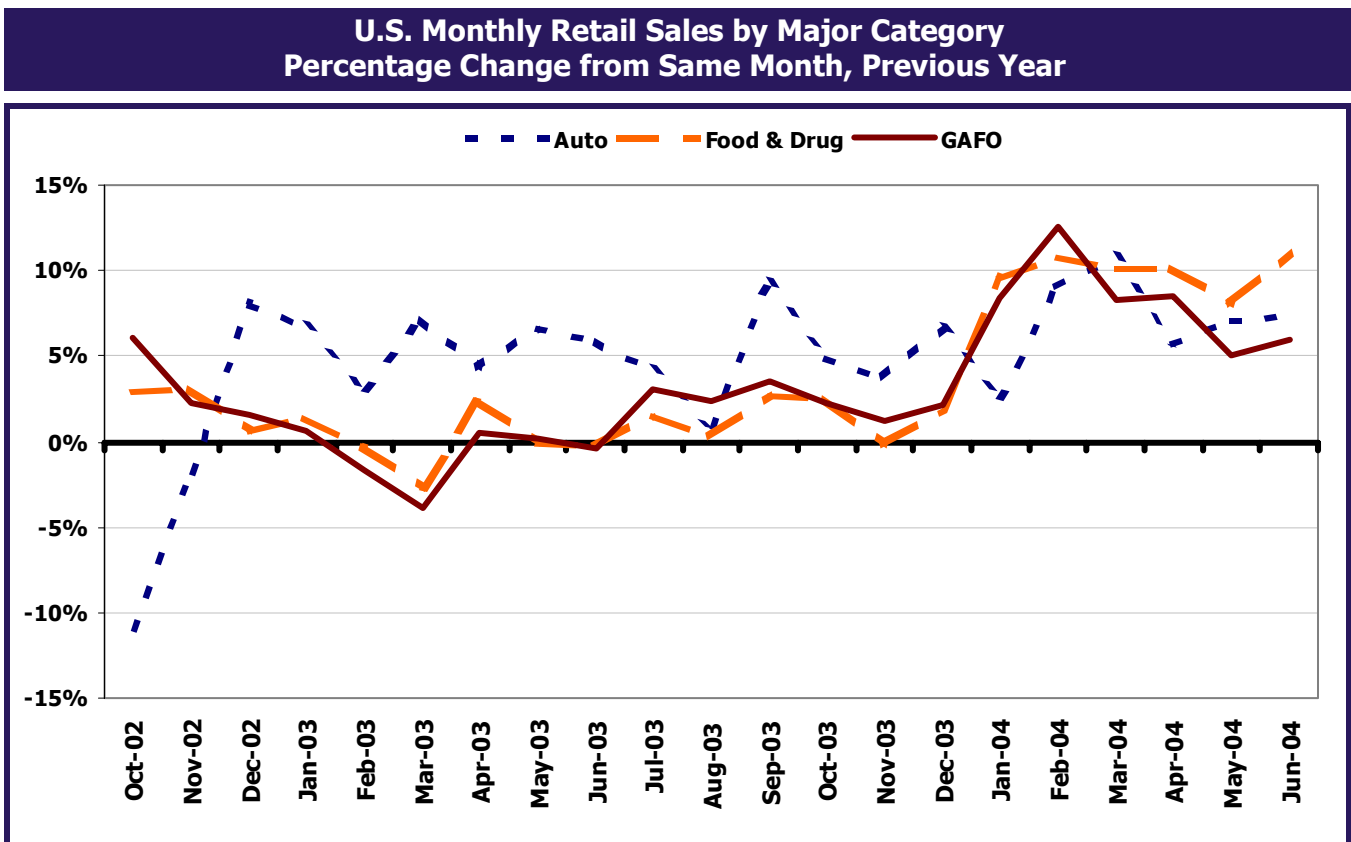
Source: US Census Bureau. All values are expressed in millions of US dollars and are not seasonally adjusted.

Revised Year-to-Date Sales Ending June	2004	2003	% Change
All Stores	1,944,774	1,792,514	8.5%
Motor Vehicle and Parts Dealers	466,478	442,612	5.4%
Gasoline Stations	148,903	131,632	13.1%
Food and Beverage Stores	257,519	245,929	4.7%
Grocery Stores	232,200	223,003	4.1%
Beer, Wine and Liquor Stores	15,480	14,524	6.6%
Health and Personal Care Stores	100,313	93,207	7.6%
Pharmacies and Drug Stores	85,349	79,565	7.3%
Building Material and Garden Equipment Stores	181,070	154,735	17.0%
Building Material and Supplies Stores	157,682	132,773	18.8%
Hardware Stores	7,916	7,451	6.2%
GAFO (general merchandise, apparel, furniture, and other)	464,815	430,398	8.0%
General Merchandise Stores	109,853	100,587	9.2%
Department Stores (excluding leased departments)	95,633	95,336	0.3%
<i>Discount Department Stores (excluding leased departments)</i>	<i>57,539</i>	<i>58,320</i>	<i>-1.3%</i>
<i>Conventional and National Dept. Stores (ex. leased depts.)</i>	<i>38,094</i>	<i>37,016</i>	<i>2.9%</i>
Warehouse Clubs and Superstores	115,604	100,135	15.4%
All Other General Merchandise Stores	19,486	17,763	9.7%
Clothing and Accessories Stores	84,498	77,670	8.8%
Men's Clothing Stores	5,040	4,537	11.1%
Women's Clothing Stores	16,972	15,456	9.8%
Family Clothing Stores	28,933	26,535	9.0%
Shoe Stores	11,016	10,376	6.2%
Jewelry Stores	11,882	10,856	9.5%
Furniture, Home Furnishings, Electronics and Appliance Stores	95,278	86,718	9.9%
Furniture Stores	27,155	24,736	9.8%
Home Furnishing Stores	21,929	20,482	7.1%
Household Appliance Stores	7,219	6,230	15.9%
Radio, TV and Other Electronics Stores	24,272	21,714	11.8%
Computer and Software Stores	13,423	12,420	8.1%
Sporting Goods, Hobby, Book and Music Stores	35,839	34,599	3.6%
Sporting Goods Stores	13,166	12,252	7.5%
Book Stores	7,664	7,561	1.4%
Miscellaneous Store Retailers	52,967	49,838	6.3%
Nonstore Retailers	100,169	90,019	11.3%
Electronic Shopping and Mail-Order Houses	62,894	55,819	12.7%
Fuel Dealers	17,116	16,043	6.7%
Food Services and Drinking Places	191,017	172,321	10.8%

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