

# Bulletin

U.S. Data

Advance September 2004 Retail Sales • Released October 15, 2004

THIS ISSUE SPONSORED BY IBM



## THE RETAIL SEESAW

Retail sales growth for September 2004 gained by 8.2% compared to last year. However, there is a mixture of good and bad news intertwined with this report. Retail sales last year were very strong. Most notably, Clothing and Accessories Stores gained 10.0% and Furniture, Home Furnishings, Electronics and Appliance Stores were ahead 8.9% in 2003 compared to 2002. Added to this, retail sales in August of this year were particularly poor. So while there was pent up demand from a weaker than average August, the strong comparison numbers from last September lowered the overall growth rate.

Needless to say, this September only a small group of retailers performed better than their year-to-date average. With the higher prices of gasoline, Gasoline Stations led the growth race raking in 15.7% greater sales than last September. Other strong performers include Food Services and Drinking Places (9.4%), General Merchandise Stores (7.8%), Motor Vehicle and Parts Dealers (7.2%), and Food and Beverage Stores (5.9%).

While almost 2% off their year-to-date growth, Building Material and Garden Equipment Stores have performed exceptionally well all year. Sales increases of 14.0% in September can be partly attributed to the incessant hurricane season that damaged numerous homes and businesses.

Of the weaker performers, Furniture, Home Furnishings, Electronics and Appliance Stores grew by less than half as much as their year-to-date average. The category gained 3.7% compared to 8.3% year-to-date. With higher fuel prices and the underperforming job market, interest rates are expected to remain relatively low, which should help this category.

As stated, Clothing and Accessories Stores sales were up against some very strong comparables. This September, sales grew by 5.1%, which is two points below their year-to-date average. While the lack of summer spending has been pushed into the fall, the catch-up has been at most lukewarm.

The weather has definitely been at play in the retail sector ranging from hurricanes to summer in September. Certain retailers were able to benefit from the weather changes such as those selling plywood to board up windows to patios and cafes that benefited from the extra outdoor eating and drinking.

Overall, retail sales in September 2004 are o.k. but not sensational and reflect the general mood in the economy (e.g., seesaw effect in consumer confidence, the very close Presidential election, the slow pace of job creation).

### DYNAMIC DIGITAL MERCHANDISING

Consumers are up to 30% more likely to purchase products where there is a POS advertisement. Read this brief to find out more:

[Dynamic Digital Merchandising](#)

### RELEASE DATE OF THE NEXT NATIONAL RETAIL BULLETIN:

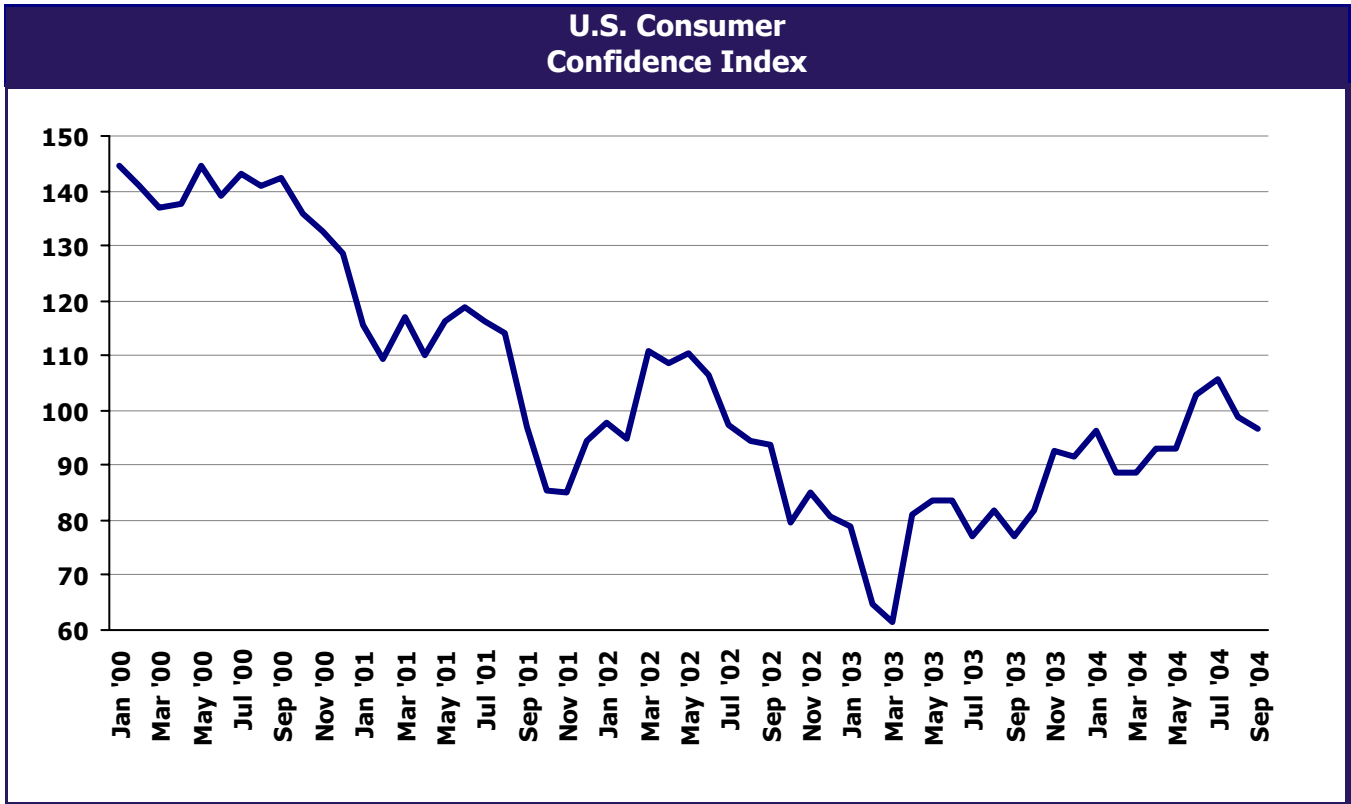
November 12, 2004

#### Please note:

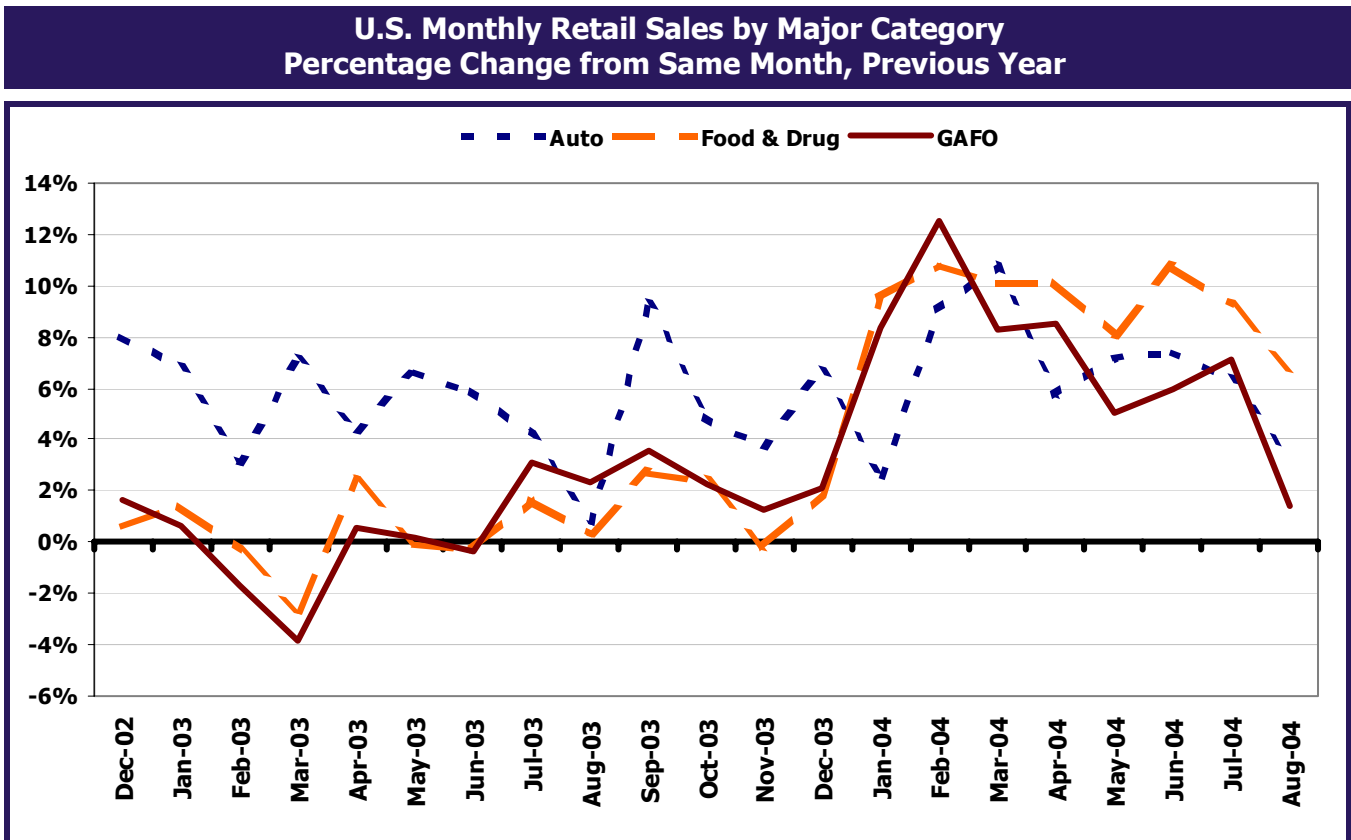
The J.C. Williams Group National Retail Bulletin compares the latest monthly release of "raw" (i.e., unadjusted for seasonality, holiday, and trading day) retail sales figures to those in the *same calendar month of the previous year*. The U.S. Census Bureau also reports seasonally adjusted sales that 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](http://www.census.gov).

<b>Advance Sales for the Month of September</b>	<b>2004</b>	<b>2003</b>	<b>% Change</b>
All Stores	331,968	306,836	8.2%
Motor Vehicle and Parts Dealers	80,504	75,126	7.2%
Gasoline Stations	26,462	22,879	15.7%
Food and Beverage Stores	43,521	41,093	5.9%
Grocery Stores	39,243	37,038	6.0%
Health and Personal Care Stores	16,459	15,721	4.7%
Building Material and Garden Equipment Stores	31,974	28,039	14.0%
General Merchandise Stores	38,226	35,454	7.8%
Department Stores (excluding leased departments)	15,930	15,619	2.0%
Clothing and Accessories Stores	14,239	13,544	5.1%
Furniture, Home Furnishings, Electronics and Appliance Stores	16,265	15,684	3.7%
Furniture and Home Furnishing Stores	8,440	8,186	3.1%
Electronics and Appliance Stores	7,825	7,498	4.4%
Sporting Goods, Hobby, Book and Music Stores	6,421	6,226	3.1%
Miscellaneous Store Retailers	8,860	8,517	4.0%
Nonstore Retailers	17,160	15,424	11.3%
Food Services and Drinking Places	31,877	29,129	9.4%
<b>Year-to-Date Sales Ending September</b>	<b>2004</b>	<b>2003</b>	<b>% Change</b>
All Stores	2,968,496	2,752,719	7.8%
Motor Vehicle and Parts Dealers	715,458	684,219	4.6%
Gasoline Stations	231,507	202,257	14.5%
Food and Beverage Stores	390,790	374,337	4.4%
Grocery Stores	351,856	338,635	3.9%
Health and Personal Care Stores	150,257	140,864	6.7%
Building Material and Garden Equipment Stores	278,158	240,414	15.7%
General Merchandise Stores	350,092	326,385	7.3%
Department Stores (excluding leased departments)	144,995	145,424	-0.3%
Clothing and Accessories Stores	128,898	120,446	7.0%
Furniture, Home Furnishings, Electronics and Appliance Stores	145,854	134,686	8.3%
Furniture and Home Furnishing Stores	75,412	70,156	7.5%
Electronics and Appliance Stores	70,442	64,530	9.2%
Sporting Goods, Hobby, Book and Music Stores	55,794	54,063	3.2%
Miscellaneous Store Retailers	80,203	75,938	5.6%
Nonstore Retailers	149,876	133,826	12.0%
Food Services and Drinking Places	291,609	265,284	9.9%

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