

Bulletin

U.S. Data

Advance July 2002 and Revised June 2002 Retail Sales • Released August 13, 2002

AMERICANS SHOP AS CONFIDENCE SAGS

With the continued war on terrorism, Middle East gunfights, big business scandals, and stock market tumbles, why shouldn't consumer confidence fall? However, despite every indication that retail sales growth would be minimal, shoppers defy us again, maybe trying to perk up their life with a little extra shopping.

July's advanced sales grew by 6.6% compared to last year, the healthiest sales growth yet in 2002 and helping to bring up the year-to-date growth to 3.4%.

The largest gains came from the Motor Vehicle and Parts Dealers (11.1%) and Health and Personal Care Stores (10.2%). In addition Electronics and Appliance Stores (8.0%) and General Merchandise Stores (6.7%) all performed better than average.

Apparel sales at Clothing and Accessory Stores and Department Stores have been taking a kicking the entire year delivered from a combined punch of lower demand and bad weather. Yet, for July, these stores were able to maintain their year-to-date growth of 2.8%.

There are also reports that many retailers are carrying lower inventories of goods. While this may hurt some retailers in the short term, as they could be caught off guard in out-of-stock positions, it has a positive effect too. Having lower inventories of summer merchandise leading into the fall season will be a good thing as there is less to clear out and more room for back-to-school.

On a more detailed level, Warehouse Clubs and Superstores continue to be the big winners gaining almost 20% in retail sales growth and Conventional Department Stores are losing ground falling 3.8%.

In addition, bigger ticket item stores such as Furniture Stores posted stronger gains in the first half of 2002 (5.3%) and Electronics Stores are doing very well (10.2%) despite warning statements from Best Buy and Circuit City.

TAKE THE FUTURE WITH A GRAIN OF SALT

At this time last year, retail sales were starting to fall and then sales all but stopped on September 11th. Future retail sales growth will look even rosier compared to the previous year, but then again, the previous year was not ordinary. J.C. Williams Group will do our best to report retail sales accurately even comparing upcoming sales figures to two years ago in order to give a better reflection of longer term trends.

RETAIL MATTERS

J.C. Williams Group is proud to announce the introduction of a new supplement entitled "Retail Matters". This is the first in a series of retail related articles that we hope you will find of interest. The full article can be found at www.jcwg.com/downloads.htm

Research For Whole Branding

Branding is an important tool for differentiation among retailers. Creating and maintaining a viable retail brand is achieved through a series of stages that include:

- Initiation/reality check,
- Brand building,
- On-going development, and
- Reinventing.

Each step has distinctive information needs that track the brand assets both within the retailer and in the external environment. Brand assets include perceptual, attitudinal, and behavioral assets. The enhancement of these assets leads directly to better financial performance. Effectively tracking key performance measures helps retailers make the right strategic decisions at each of branding stage.

RELEASE DATE OF THE NEXT NATIONAL RETAIL BULLETIN

September 13, 2002

Please note:

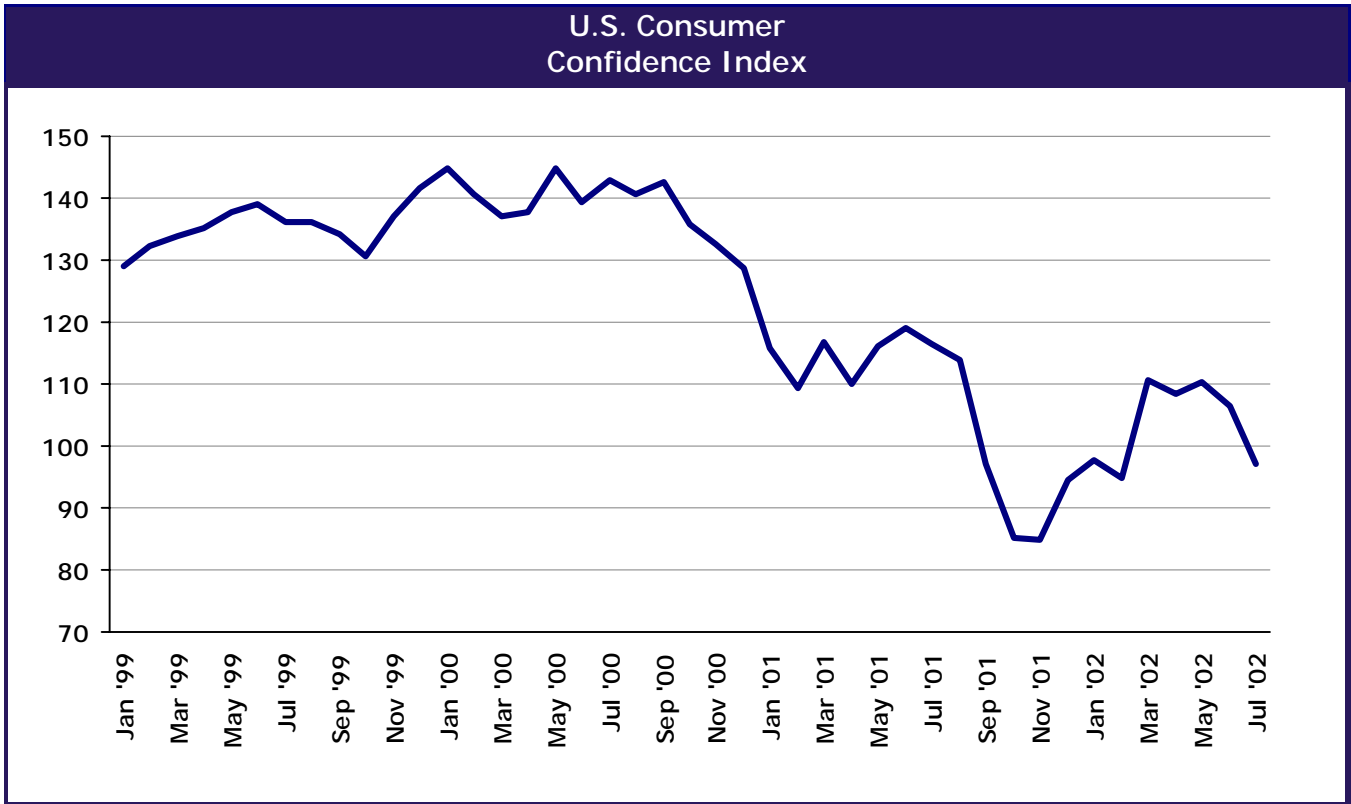
The J.C. Williams Group National Retail Bulletin compares the latest monthly release of "raw" (i.e., unadjusted for seasonality, holiday, and trading day) retail sales figures to those in the *same calendar month of the previous year*. The U.S. Census Bureau also reports seasonally adjusted sales that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

Advance Sales for the Month of July	2002	2001	% Change
All Stores	307,770	288,686	6.6%
Motor Vehicle and Parts Dealers	80,860	72,754	11.1%
Gasoline Stations	20,418	20,888	-2.3%
Food and Beverage Stores	41,154	39,964	3.0%
Grocery Stores	36,924	35,956	2.7%
Health and Personal Care Stores	15,252	13,841	10.2%
Building Material and Garden Equipment Stores	28,031	26,456	6.0%
General Merchandise Stores	35,630	33,395	6.7%
Department Stores (excluding leased departments)	16,902	17,133	-1.3%
Clothing and Accessories Stores	13,074	12,717	2.8%
Furniture, Home Furnishings, Electronics and Appliance Stores	14,943	14,217	5.1%
Furniture and Home Furnishing Stores	7,661	7,476	2.5%
Electronics and Appliance Stores	7,282	6,741	8.0%
Sporting Goods, Hobby, Book and Music Stores	6,641	6,242	6.4%
Miscellaneous Store Retailers	9,195	9,090	1.2%
Nonstore Retailers	11,767	11,191	5.1%
Food Services and Drinking Places	29,160	27,931	4.4%
Year-to-Date Sales Ending July	2002	2001	% Change
All Stores	2,043,168	1,975,540	3.4%
Motor Vehicle and Parts Dealers	513,198	498,410	3.0%
Gasoline Stations	131,658	142,827	-7.8%
Food and Beverage Stores	276,271	269,585	2.5%
Grocery Stores	249,204	243,717	2.3%
Health and Personal Care Stores	105,418	96,987	8.7%
Building Material and Garden Equipment Stores	184,853	176,409	4.8%
General Merchandise Stores	244,413	226,024	8.1%
Department Stores (excluding leased departments)	119,549	119,568	0.0%
Clothing and Accessories Stores	90,653	88,198	2.8%
Furniture, Home Furnishings, Electronics and Appliance Stores	102,878	97,273	5.8%
Furniture and Home Furnishing Stores	52,849	50,955	3.7%
Electronics and Appliance Stores	50,029	46,318	8.0%
Sporting Goods, Hobby, Book and Music Stores	45,816	42,799	7.0%
Miscellaneous Store Retailers	63,094	62,730	0.6%
Nonstore Retailers	88,055	88,982	-1.0%
Food Services and Drinking Places	195,216	185,316	5.3%

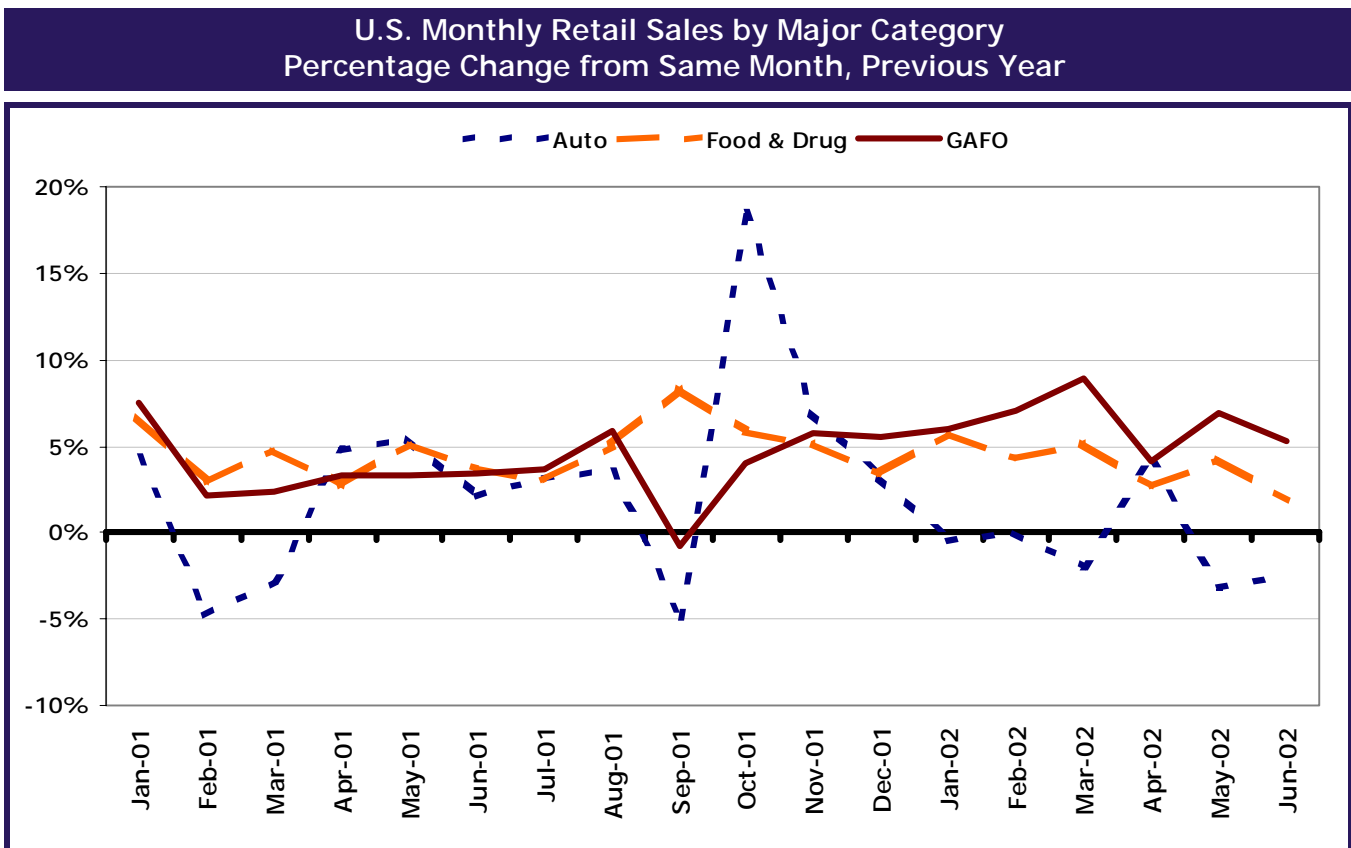
Source: US Census Bureau. All values are expressed in millions of US dollars and are not seasonally adjusted.

Revised Year-to-Date Sales Ending June	2002	2001	% Change
All Stores	1,735,398	1,686,854	2.9%
Motor Vehicle and Parts Dealers	432,338	425,656	1.6%
Gasoline Stations	111,240	121,939	-8.8%
Food and Beverage Stores	235,117	229,621	2.4%
Grocery Stores	212,280	207,761	2.2%
Beer, Wine and Liquor Stores	14,690	14,105	4.1%
Health and Personal Care Stores	90,166	83,146	8.4%
Pharmacies and Drug Stores	76,034	69,704	9.1%
Building Material and Garden Equipment Stores	156,822	149,953	4.6%
Building Material and Supplies Stores	132,218	125,078	5.7%
Hardware Stores	8,371	8,001	4.6%
GAFO (general merchandise, apparel, furniture, and other)	433,840	407,856	6.4%
General Merchandise Stores	98,632	89,630	10.0%
Department Stores (excluding leased departments)	102,647	102,435	0.2%
<i>Discount Department Stores (excluding leased departments)</i>	63,598	61,850	2.8%
<i>Conventional and National Dept. Stores (ex. leased depts.)</i>	39,049	40,585	-3.8%
Warehouse Clubs and Superstores	88,760	74,100	19.8%
All Other General Merchandise Stores	17,376	16,094	8.0%
Clothing and Accessories Stores	77,579	75,481	2.8%
Men's Clothing Stores	4,662	4,839	-3.7%
Women's Clothing Stores	16,105	15,386	4.7%
Family Clothing Stores	25,461	24,782	2.7%
Shoe Stores	10,249	10,210	0.4%
Jewelry Stores	10,758	10,492	2.5%
Furniture, Home Furnishings, Electronics and Appliance Stores	87,935	83,056	5.9%
Furniture Stores	25,689	24,404	5.3%
Home Furnishing Stores	19,499	19,075	2.2%
Household Appliance Stores	6,029	5,764	4.6%
Radio, TV and Other Electronics Stores	22,313	20,244	10.2%
Computer and Software Stores	12,806	12,107	5.8%
Sporting Goods, Hobby, Book and Music Stores	39,175	36,557	7.2%
Sporting Goods Stores	13,788	12,797	7.7%
Book Stores	7,903	7,449	6.1%
Miscellaneous Store Retailers	53,899	53,640	0.5%
Nonstore Retailers	76,288	77,791	-1.9%
Electronic Shopping and Mail-Order Houses	52,229	50,657	3.1%
Fuel Dealers	11,890	15,150	-21.5%
Food Services and Drinking Places	166,056	157,385	5.5%

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