

# Bulletin

U.S. Data

Advance June 2003 Retail Sales • Released July 15, 2003

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## RETAIL DETAIL

June's warm weather gave consumers a reason to increase spending. All Stores advanced just shy of 5% in June, led by stronger big-ticket items.

Building Material and Garden Equipment Stores led the march to greater sales growth by gaining 9.2% compared to last June. In addition, Motor Vehicle and Parts Dealers sped ahead at 7.5% growth. Even Furniture and Home Furnishings Stores gained a respectable 3.5% over last year. However, many of the gains appear to be seasonally related. The late summer arrival for much of the central and eastern parts of the country delayed spending for key products. As such, many retailers in the Building Material and Garden Equipment Stores category are playing catch-up for postponed purchases, thereby inflating June's sales somewhat.

In addition, car sales within the Motor Vehicle and Parts Dealers category have fluctuated throughout the year. June's good sales results could be somewhat attributable to the rate cut during the month.

While Clothing and Accessories Stores are pushing ahead and making gains for the year, the industry still suffers from *ennui* among consumers due to retailers selling the same thing. Consumers are left feeling uninspired and frustrated with the range of options. It appears that some new store concepts are on the way, such as Abercrombie and Fitch's more upscale move. Another important point is the fact that while retail sales have been steadily improving, many retailers have

not grown at the same rate. This is due to the fact that there are too many retail stores chasing too few consumer dollars. This is true for the Clothing and Home Furnishings categories. During the housing boom, Furniture, Home Furnishings, Electronics, and Appliance Stores were the darlings everyone was pursuing. This led to a proliferation of these stores. Now with an economic slowdown these stores are fighting for survival.

## CONFIDENCE STABILIZES

For the past three months, the Consumer Confidence Index has stabilized at the 83 level. The recent interest rate cut and the prospective tax stimulus package have yet to take real effect on the economy. Unfortunately, the political situation has once again taken a strong hold of the retail economy.

## J.C. WILLIAMS GROUP AND IBM

For the next six months IBM will be sponsoring the J.C. Williams Group National Retail Bulletin, as well as providing valuable content for each of these issues. We hope you find this information useful.

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## RELEASE DATE OF THE NEXT NATIONAL RETAIL BULLETIN:

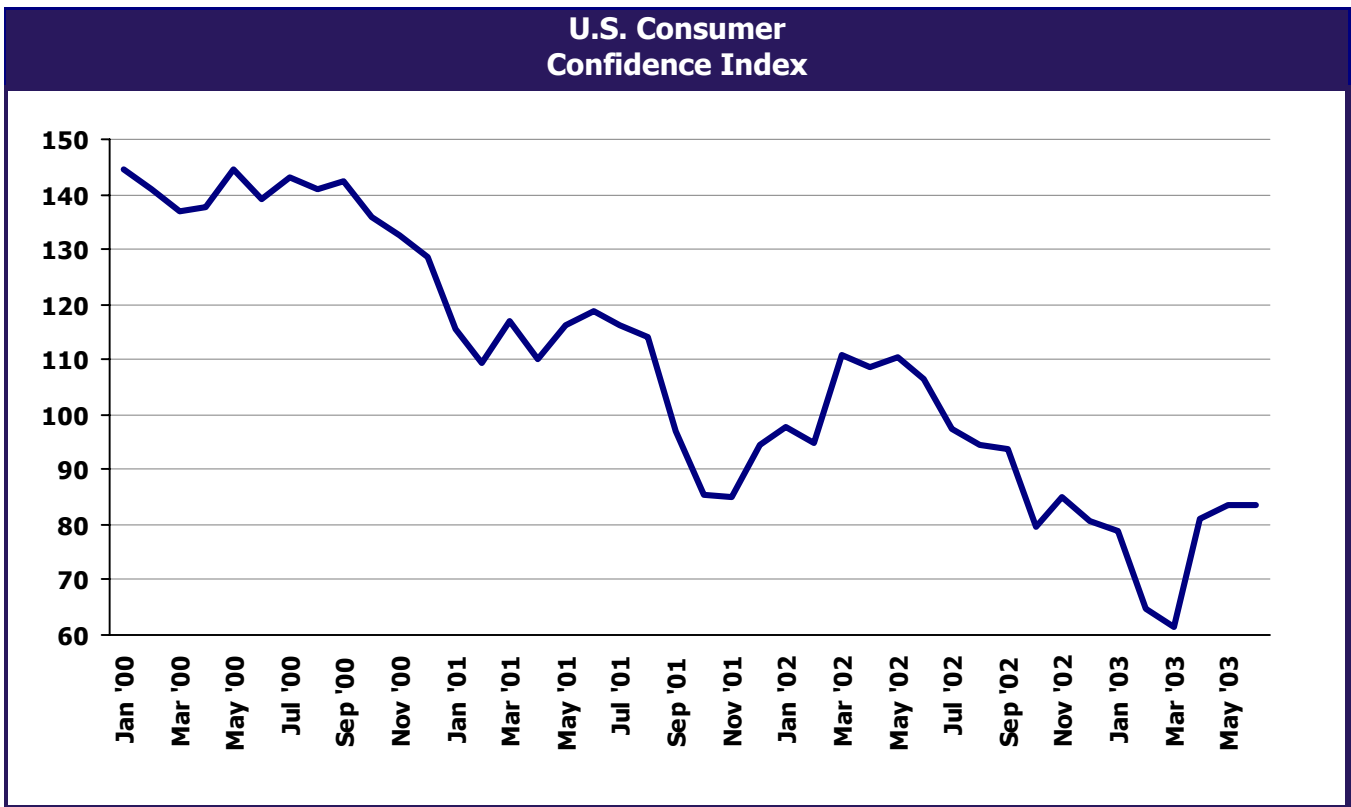
August 13, 2003

### Please note:

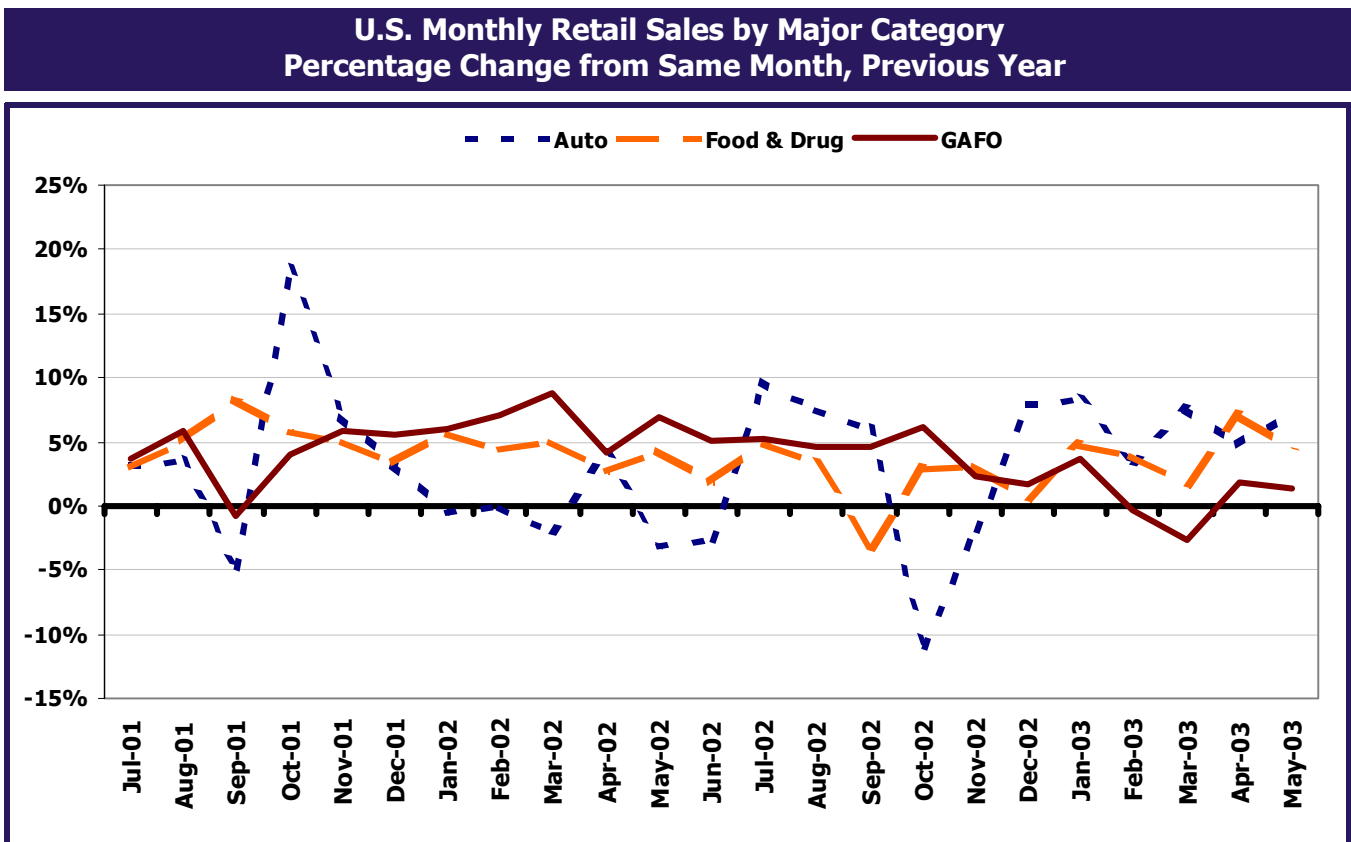
The J.C. Williams Group National Retail Bulletin compares the latest monthly release of "raw" (i.e., unadjusted for seasonality, holiday, and trading day) retail sales figures to those in the *same calendar month of the previous year*. The U.S. Census Bureau also reports seasonally adjusted sales that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

<b>Advance Sales for the Month of June</b>	<b>2003</b>	<b>2002</b>	<b>% Change</b>
All Stores	313,774	299,179	4.9%
Motor Vehicle and Parts Dealers	79,311	73,764	7.5%
Gasoline Stations	22,093	20,872	5.8%
Food and Beverage Stores	41,495	40,844	1.6%
Grocery Stores	37,420	36,840	1.6%
Health and Personal Care Stores	15,297	14,454	5.8%
Building Material and Garden Equipment Stores	30,586	28,007	9.2%
General Merchandise Stores	37,772	37,038	2.0%
Department Stores (excluding leased departments)	16,913	17,866	-5.3%
Clothing and Accessories Stores	13,576	13,196	2.9%
Furniture, Home Furnishings, Electronics and Appliance Stores	15,076	14,571	3.5%
Furniture and Home Furnishing Stores	7,926	7,556	4.9%
Electronics and Appliance Stores	7,150	7,015	1.9%
Sporting Goods, Hobby, Book and Music Stores	6,246	6,160	1.4%
Miscellaneous Store Retailers	8,388	8,436	-0.6%
Nonstore Retailers	13,794	12,982	6.3%
Food Services and Drinking Places	30,140	28,855	4.5%
<b>Year-to-Date Sales Ending June</b>	<b>2003</b>	<b>2002</b>	<b>% Change</b>
All Stores	1,802,447	1,723,088	4.6%
Motor Vehicle and Parts Dealers	446,397	421,506	5.9%
Gasoline Stations	129,450	115,062	12.5%
Food and Beverage Stores	246,680	240,007	2.8%
Grocery Stores	223,708	217,769	2.7%
Health and Personal Care Stores	92,756	88,400	4.9%
Building Material and Garden Equipment Stores	155,976	150,072	3.9%
General Merchandise Stores	215,512	208,587	3.3%
Department Stores (excluding leased departments)	97,027	102,665	-5.5%
Clothing and Accessories Stores	77,996	76,600	1.8%
Furniture, Home Furnishings, Electronics and Appliance Stores	87,704	86,416	1.5%
Furniture and Home Furnishing Stores	46,072	45,079	2.2%
Electronics and Appliance Stores	41,632	41,337	0.7%
Sporting Goods, Hobby, Book and Music Stores	35,669	36,084	-1.2%
Miscellaneous Store Retailers	49,757	49,952	-0.4%
Nonstore Retailers	91,885	85,943	6.9%
Food Services and Drinking Places	172,665	164,459	5.0%

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