

# Bulletin

Canadian Data

January 2004 Retail Sales • Released March 26, 2004

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## IT'S JUST A LITTLE BIT OF SNOW

Like the proverbial mail carrier, the sleet, snow, wind, and cold did not stop Canadians from shopping this past January, leading to quite the auspicious start to 2004. Many Canadian consumers focused on upgrading their homes and themselves instead of letting the weather get the best of them.

January's good start, with overall sales at Canadian retailers up 1.3%, was only hindered by the Automotive Group's poor showing (-7%). The Automotive Groups decline is a trend that continues from late last year, while All Stores Less Auto Food and Drug is up 6.4% against a relatively strong January 2003.

Consumers had a fiesta at Furniture, Appliance, and Furnishings Stores cashing in their gift cards and taking advantage of Boxing Day (weeks) extravaganzas. Since gift card sales are not recorded as revenue until after they are redeemed, many retailers were able to cash in on their December gift card sales, not to mention all the incremental sales that accompany them.

Gift card redemption and blowout sales also helped Department Stores, including concessions (7.5%) and All Clothing Stores and Shoe Stores (3%), post increases over last January, respectively. Strong performances helped by aggressive markdowns and sales will help retailers move into February with clean inventories that will continue to drive sales. Although, great Shoe Store sales late last year, mostly due to heavy-

duty markdowns, can be held responsible for Shoe Stores' 3.1% decrease in sales from last January (keeping in mind that Shoe Stores had a fabulous January last year). Another honourable mention goes to Men's Clothing Stores that have not shown a year-over-year monthly increase since February 2003, but has started the year with a dazzling 1% increase over last January.

The other strong performer was the Food and Drug group, which posted a healthy gain of 6.9% over last year. While increases in prescriptions and prescription costs helps explain this phenomenon, channel blurring (i.e., the increase of health and beauty products sold in drug stores) continues to be a powerful force.

## J'AI ME LA NEIGE ET LE FROID!

While all regions, minus Ontario, showed positive growth versus last years' equally snowy January, Quebec seemed most undeterred by the weather (4.3%). Even though Atlantic Canada had more snow than you can shake a ski pole at, they still managed to gain 1.8% compared to last January.

While retail sales growth in both B.C. and the Prairies hovered slightly above 1%, Ontario, presumably due to poor Automotive sales, dipped 0.4% compared to last year.

## BRINGING THE CUSTOMER EXPERIENCE FULL CIRCLE: THE CRM VALUE CYCLE

Customer satisfaction is a key indicator of operational and financial health.

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[The CRM Value Cycle](#)

## RELEASE DATE OF THE NEXT NATIONAL RETAIL BULLETIN

April 27, 2004

### Please note:

The J.C. Williams Group National Retail Bulletin compares the latest monthly release of "raw" (i.e., unadjusted for seasonality) retail sales figures to those in the *same calendar month of the previous year*. Statistics Canada 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.

## Retail Sales by Store Category

Sales for the Month of: January	2004	2003	2004 / 2003
<b>All Stores</b>	<b>22,835.6</b>	<b>22,540.8</b>	<b>1.3%</b>
Automotive Group	8,205.1	8,819.4	-7.0%
All Stores Less Automotive	14,630.5	13,721.4	6.6%
Food and Drug Group	7,417.0	6,939.1	6.9%
<b>All Stores Less Auto, Food and Drug</b>	<b>7,213.4</b>	<b>6,782.3</b>	<b>6.4%</b>
<b>General Merchandise Stores</b>	<b>2,355.0</b>	<b>2,195.1</b>	<b>7.3%</b>
Department Stores (incl concessions)	1,377.7	1,281.2	7.5%
<b>Furniture, Appliance, Furnishings Stores (incl. Electronics)</b>	<b>1,462.6</b>	<b>1,347.2</b>	<b>8.6%</b>
<b>All Clothing and Shoe Stores</b>	<b>1,083.4</b>	<b>1,051.8</b>	<b>3.0%</b>
Women's Clothing Stores	305.4	290.5	5.1%
Men's Clothing Stores	96.5	95.5	1.0%
Other Clothing Stores	563.5	543.9	3.6%
Shoe Stores	118.0	121.8	-3.1%
<b>All Other Retail (except auto, food, drug)</b>	<b>2,312.4</b>	<b>2,188.2</b>	<b>5.7%</b>
<b>Year-to-date Sales</b>	<b>2004</b>	<b>2003</b>	<b>2004 / 2003</b>
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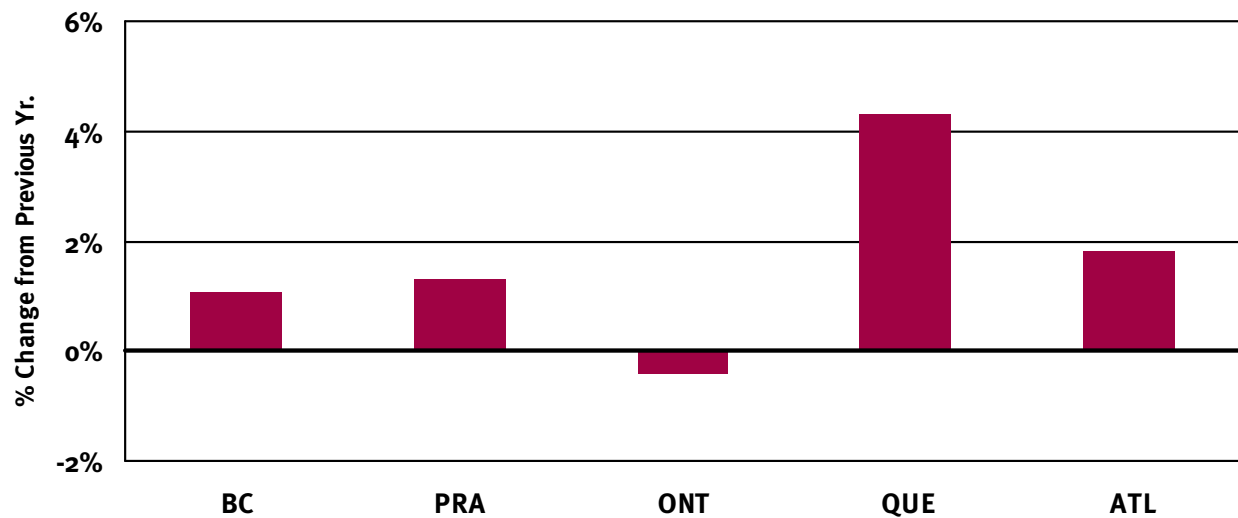
ALL DOLLAR VALUES EXPRESSED IN MILLIONS OF CANADIAN DOLLARS; UNADJUSTED FIGURES; SOURCE: STATISTICS CANADA

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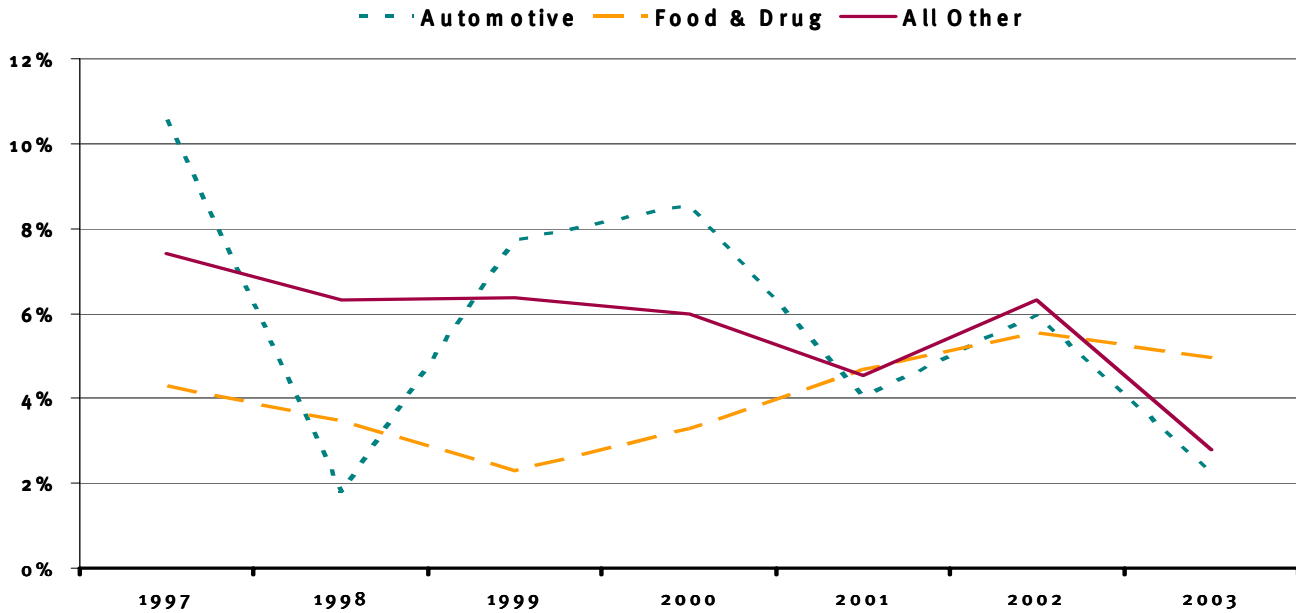
**Retail Trade, Canada, All Stores, By Major Region**

	Year-to-Date 2004	Same Period 2003	Change 2004 / 2003
British Columbia	3,099.0	3,066.5	1.1%
Prairies	4,333.6	4,277.3	1.3%
Ontario	8,467.1	8,504.7	-0.4%
Quebec	5,226.7	5,011.3	4.3%
Atlantic Canada	1,627.3	1,598.1	1.8%

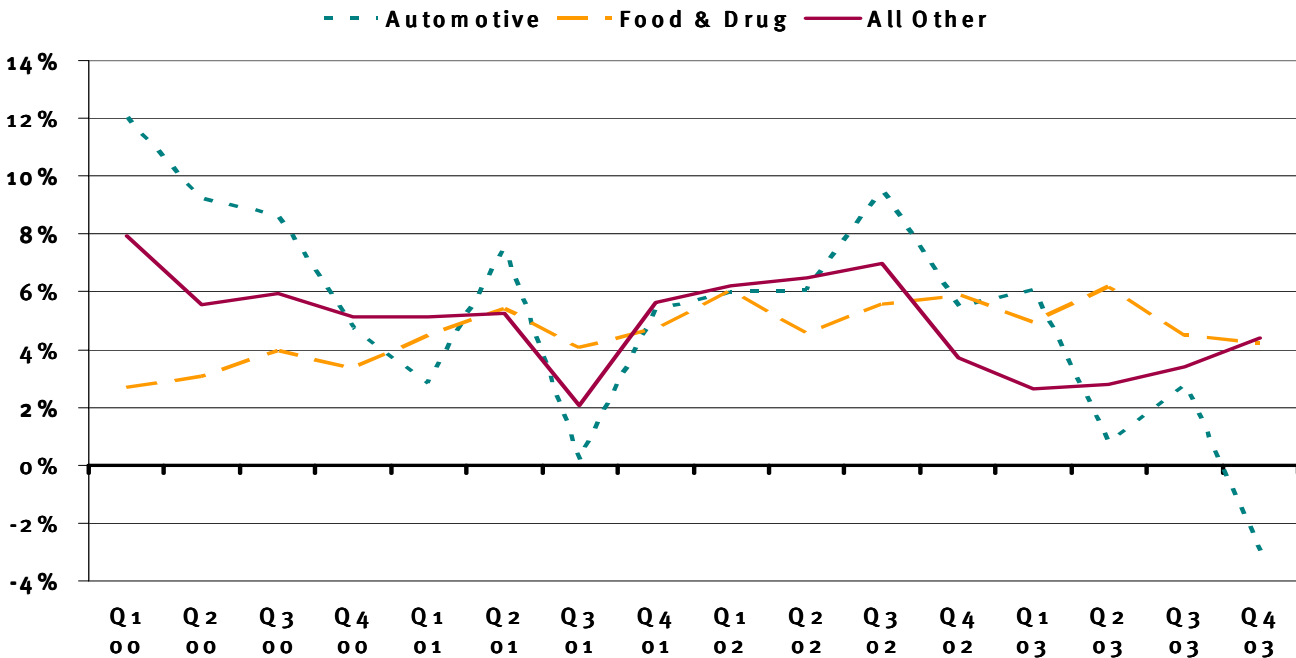
**Percentage Change in Retail Trade, All Stores, by Region  
Year-to-Date Compared to Same Period Last Year**



Canadian Retail Sales by Major Product Categories Year Over Year (1997 -2003)



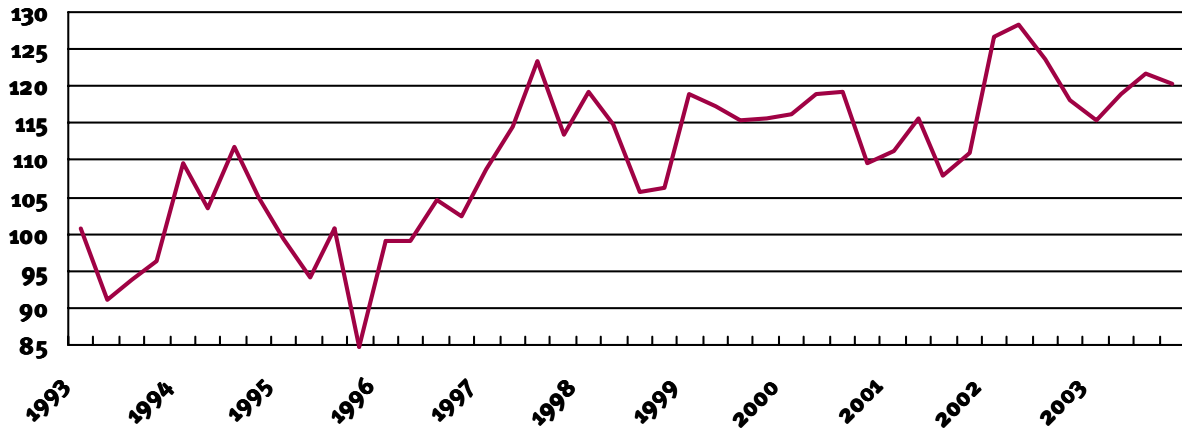
Canadian Retail Sales by Major Product Categories From the Same Quarter A Year Earlier



Consumer Price Index

January 2004 vs. January 2003 1.2%

Canadian Consumer Confidence Index 1993-2003



Source: Conference Board of Canada

Canadian Consumer Expenditures Index 1992 - 2003

