

Bulletin

U.S. Data

Advance July 2003 Retail Sales • Released August 13, 2003

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RETAILING GOT ITS GROOVE BACK

Given the recent retail reports, July's good news story was not unexpected. The huge injection of consumer spending in July was a welcome sign nonetheless. Retail sales advanced a healthy 6.5% bringing the year-to-date growth to 5.0%. While the first quarter was dismal and the second quarter showed growing momentum, July's results demonstrate that sales going into the third quarter drew attention to promising signs of sustainability. The true test will be whether retailers can uphold this growth into the important back-to-school season and on through to the holiday season.

Some of the strong growth witnessed in July is attributable to pent up demand, such as in building materials and to a certain extent in home furnishings and apparel categories, which has led to strong growth for these sectors. Furniture and Home Furnishings Stores led growth in July gaining 8.9% compared to last July. Building Material and Garden Equipment Stores raked up growth of 8.6% and consumers at Food Services and Drinking Places forked over a further 8.5% compared to last July. The latter can be a stronger indicator of consumer sentiment compared to the Confidence Index, which actually fell in July by almost 7 points to 76.6.

While other retail categories performed better than Clothing and Accessories Stores, their ability to push up sales by 6.4% is remarkable given the difficult times many of these retailers have faced.

While there are still mixed signals about the economy, especially with respect to unemployment, there are some other positive factors. The continued vigilance against terrorism and the lower dollar may have contributed to more people staying within the U.S. for summer vacations, rather than traveling abroad helping to boost retail sales.

FIRST HALF ROUND UP

This issue of the J.C. Williams Group National Retail Bulletin also includes the complete category listing for year-to-date sales up to the end of June. While Gasoline Stations and Nonstore Retailers (which is dominated by fuel dealers) had performed better in the first half of the year compared to July, the surprise came from Sporting Goods, Hobby, Book, and Music Stores. This category was off by 1.5% for the first half of the year but fell in July by 2.4%. This is in contrast to all other retail

categories except those related to oil and gasoline.

INTEGRATED MULTI-CHANNEL RETAILING: A ROADMAP TO THE FUTURE

Can multi-channel retailing really help drive long-term growth in sales, customer satisfaction, and profits? Find out what other retailers have learned, and how you can get the most from call centers, kiosks, Websites, and more. Click on the link to request this report, complements of IBM.
[Integrated Multi-channel Retailing](#)

RELEASE DATE OF THE NEXT NATIONAL RETAIL BULLETIN:

September 12, 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.

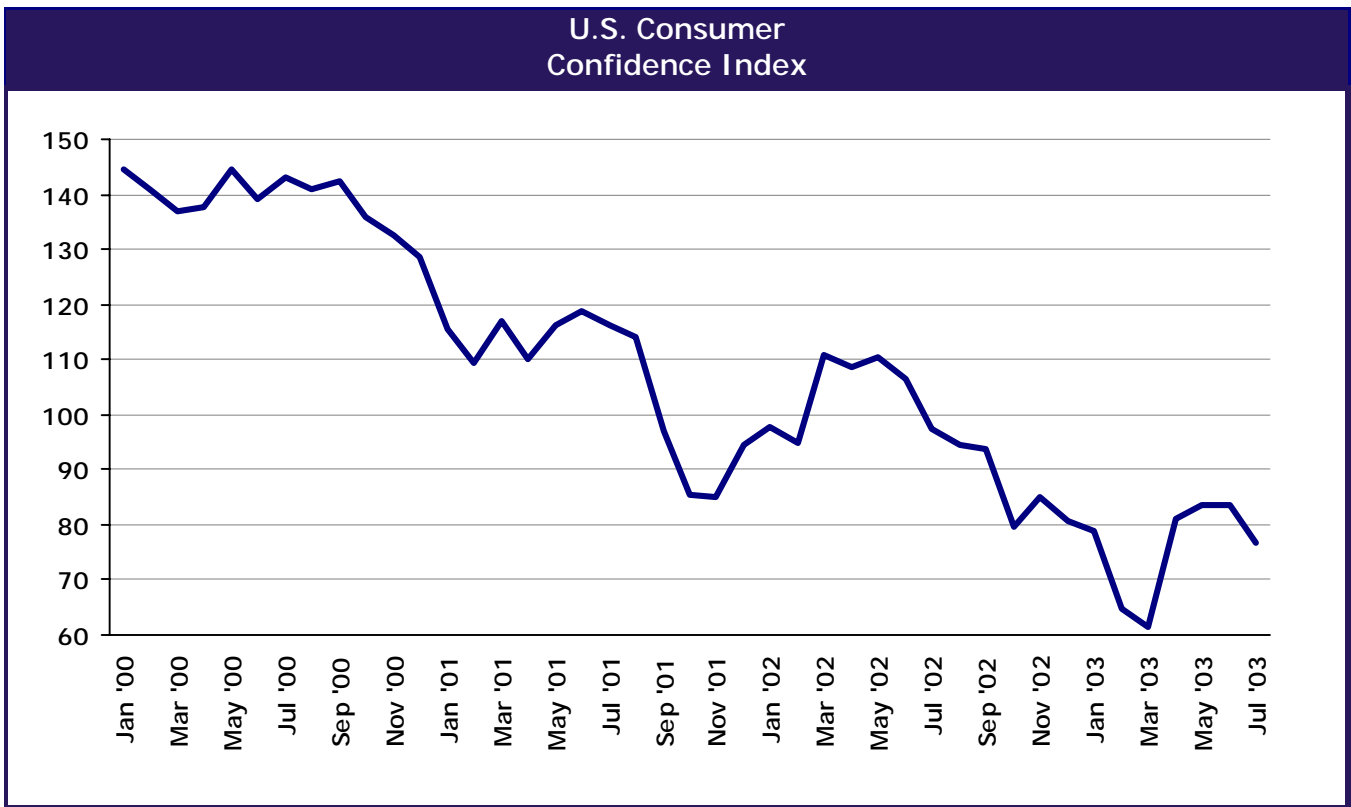
Advance Sales for the Month of July	2003	2002	% Change
All Stores	326,060	306,129	6.5%
Motor Vehicle and Parts Dealers	85,983	79,518	8.1%
Gasoline Stations	22,916	21,966	4.3%
Food and Beverage Stores	44,164	42,015	5.1%
Grocery Stores	39,797	37,897	5.0%
Health and Personal Care Stores	15,908	14,925	6.6%
Building Material and Garden Equipment Stores	29,766	27,416	8.6%
General Merchandise Stores	37,757	35,499	6.4%
Department Stores (excluding leased departments)	16,663	16,845	-1.1%
Clothing and Accessories Stores	13,619	12,803	6.4%
Furniture, Home Furnishings, Electronics and Appliance Stores	15,880	14,687	8.1%
Furniture and Home Furnishing Stores	8,414	7,724	8.9%
Electronics and Appliance Stores	7,466	6,963	7.2%
Sporting Goods, Hobby, Book and Music Stores	5,940	6,089	-2.4%
Miscellaneous Store Retailers	8,625	8,530	1.1%
Nonstore Retailers	13,988	13,636	2.6%
Food Services and Drinking Places	31,514	29,045	8.5%

Year-to-Date Sales Ending July	2003	2002	% Change
All Stores	2,130,067	2,029,217	5.0%
Motor Vehicle and Parts Dealers	533,176	501,024	6.4%
Gasoline Stations	152,247	137,028	11.1%
Food and Beverage Stores	290,959	282,022	3.2%
Grocery Stores	263,593	255,666	3.1%
Health and Personal Care Stores	108,760	103,325	5.3%
Building Material and Garden Equipment Stores	185,643	177,488	4.6%
General Merchandise Stores	253,327	244,086	3.8%
Department Stores (excluding leased departments)	113,687	119,510	-4.9%
Clothing and Accessories Stores	91,502	89,403	2.3%
Furniture, Home Furnishings, Electronics and Appliance Stores	103,895	101,103	2.8%
Furniture and Home Furnishing Stores	54,646	52,803	3.5%
Electronics and Appliance Stores	49,249	48,300	2.0%
Sporting Goods, Hobby, Book and Music Stores	41,484	42,173	-1.6%
Miscellaneous Store Retailers	58,472	58,482	0.0%
Nonstore Retailers	106,053	99,579	6.5%
Food Services and Drinking Places	204,549	193,504	5.7%

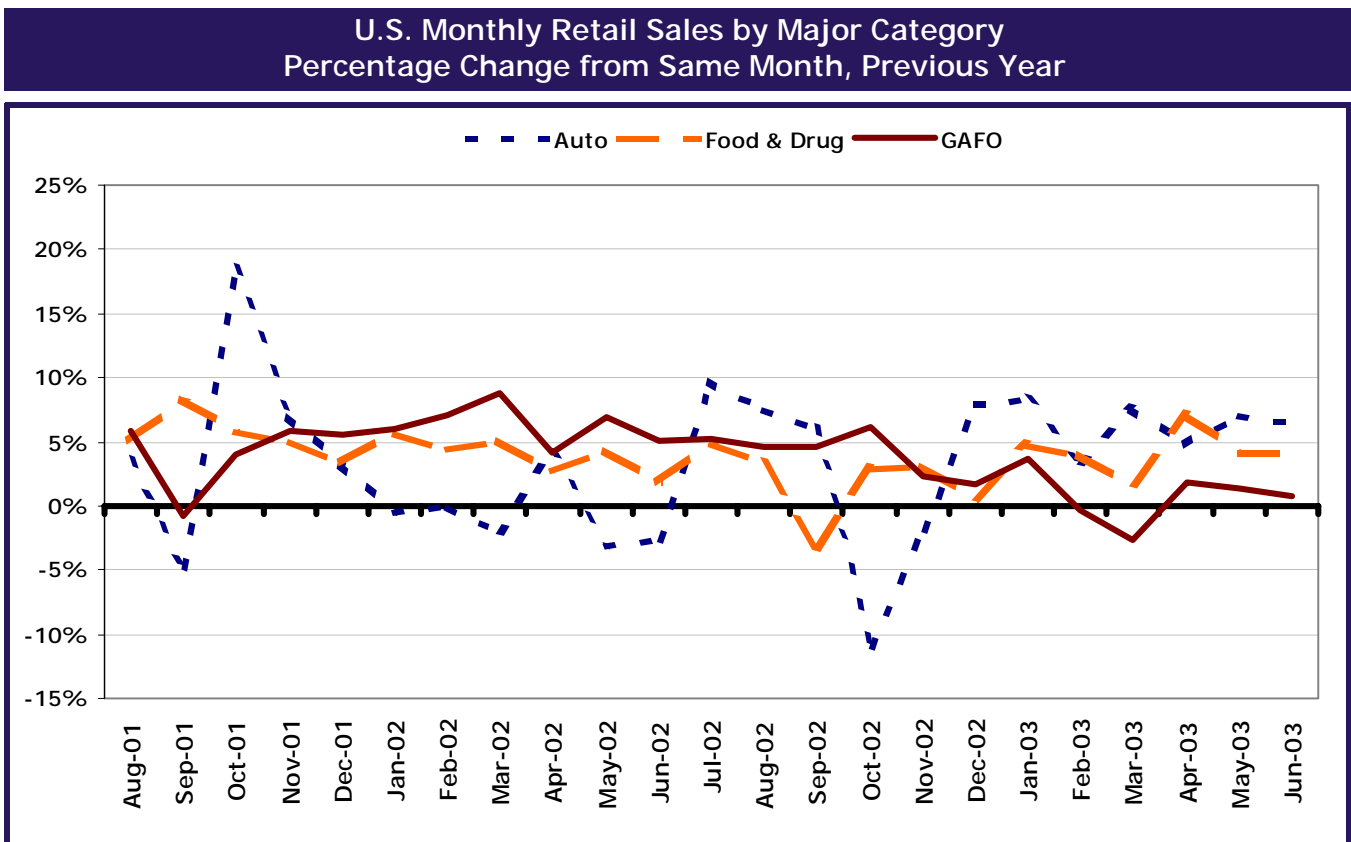
Source: US Census Bureau. All values are expressed in millions of US dollars and are not seasonally adjusted.

Revised Year-to-Date Sales Ending June	2003	2002	% Change
All Stores	1,804,007	1,723,088	4.7%
Motor Vehicle and Parts Dealers	447,193	421,506	6.1%
Gasoline Stations	129,331	115,062	12.4%
Food and Beverage Stores	246,795	240,007	2.8%
Grocery Stores	223,796	217,769	2.8%
Beer, Wine and Liquor Stores	14,676	14,525	1.0%
Health and Personal Care Stores	92,852	88,400	5.0%
Pharmacies and Drug Stores	79,507	75,009	6.0%
Building Material and Garden Equipment Stores	155,877	150,072	3.9%
Building Material and Supplies Stores	132,480	129,010	2.7%
Hardware Stores	7,392	7,619	-3.0%
GAFO (general merchandise, apparel, furniture, and other)	435,585	426,201	2.2%
General Merchandise Stores	101,727	98,535	3.2%
Department Stores (excluding leased departments)	97,024	102,665	-5.5%
<i>Discount Department Stores (excluding leased departments)</i>	<i>59,701</i>	<i>63,520</i>	<i>-6.0%</i>
<i>Conventional and National Dept. Stores (ex. leased depts.)</i>	<i>37,323</i>	<i>39,145</i>	<i>-4.7%</i>
Warehouse Clubs and Superstores	100,720	89,436	12.6%
All Other General Merchandise Stores	17,826	16,486	8.1%
Clothing and Accessories Stores	77,883	76,600	1.7%
Men's Clothing Stores	4,413	4,492	-1.8%
Women's Clothing Stores	16,220	16,231	-0.1%
Family Clothing Stores	26,277	25,162	4.4%
Shoe Stores	10,084	10,412	-3.2%
Jewelry Stores	10,764	10,445	3.1%
Furniture, Home Furnishings, Electronics and Appliance Stores	88,015	86,416	1.9%
Furniture Stores	25,619	25,795	-0.7%
Home Furnishing Stores	20,613	19,284	6.9%
Household Appliance Stores	6,147	5,906	4.1%
Radio, TV and Other Electronics Stores	22,359	22,108	1.1%
Computer and Software Stores	11,994	12,063	-0.6%
Sporting Goods, Hobby, Book and Music Stores	35,544	36,084	-1.5%
Sporting Goods Stores	12,708	13,052	-2.6%
Book Stores	7,295	7,305	-0.1%
Miscellaneous Store Retailers	49,847	49,952	-0.2%
Nonstore Retailers	92,065	85,943	7.1%
Electronic Shopping and Mail-Order Houses	56,774	54,411	4.3%
Fuel Dealers	16,848	12,719	32.5%
Food Services and Drinking Places	173,035	164,459	5.2%

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