

# Bulletin

U.S. Data

Advance December 2003 Retail Sales • Released January 15, 2003

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## WHAT A DIFFERENCE A YEAR MAKES!

2004 is the year of the turn-around. December 2003 ended in a completely different place than where it began. At the beginning of 2004, all economic signs indicated a relatively weak year ahead. By March, All Stores were only tracking 3.8% ahead of the previous year and that was primarily due to Gasoline Stations (20.7% ahead on year-to-date sales). At that time, many categories including Furniture, Home Furnishings, Electronics, and Appliance Stores were tracking negative growth for year-to-date sales.

While economists are still debating the overall impact and the implications, the short-term results to retailers are nothing short of stunning. All Stores advanced 7.8% in December propelling year-to-date growth to 5.6%.

An impressive gain of 14.0% for Building Material and Garden Equipment Stores stands out as the overall winner, but there is no denying the impact that Electronics and Appliance Stores have had on this holiday season. Electronics and Appliance Stores gained 12.4% in December. For the month of December, both of these store categories gained over twice their year-to-date growth.

Unlike Clothing and Accessory Stores, which do approximately 15% of their business in December, Building Material and Garden Equipment Stores tend to take in fewer sales in the winter months. However, with continued product blurring, and the desire for these large format stores to sell more home electronics and appliances, they

appear to have benefited from an overall increase for these major cash purchases. In addition, low interest rates and attractive financing assisted consumer-purchasing behavior for big-ticket items.

Many other store categories amazed us this year. A 6.4% gain at Clothing and Accessories Stores is justified given the recent strong same store sales reports coming from retailers such as Ann Taylor.

However, it has continued to be a tough year for many leisure-oriented retailers. Sporting Goods, Hobby, Book, and Music Stores were able to gain 2.2% in December, but it was not enough to get them into the positive growth for the year (-0.5%). Specialty toy stores were hammered by discounts at Wal-Mart and Target and continued price cutting at music stores have not driven enough increased purchases to offset the discounts.

Overall, Consumer Confidence fell slightly in December, but it is higher than it has been for the past fifteen months boding well for the upcoming year.

J.C. Williams Group expects 2004 to carry the momentum built up in the latter half of 2003 buoyed at the beginning by strong gift card redemptions and robust consumer attitudes for a healthy new year.

### TOTAL COST OF OWNERSHIP FOR POS & PC CASH DRAWER SOLUTIONS

IDC conducted research to compare the total cost of ownership for POS systems vs. PC Cash Drawer systems and their benefits. Which provides the best value? Request this IDC white paper to find out. Click on the link to request this report, complements of IBM.

[POS & PC Cash Drawer Solutions](#)

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

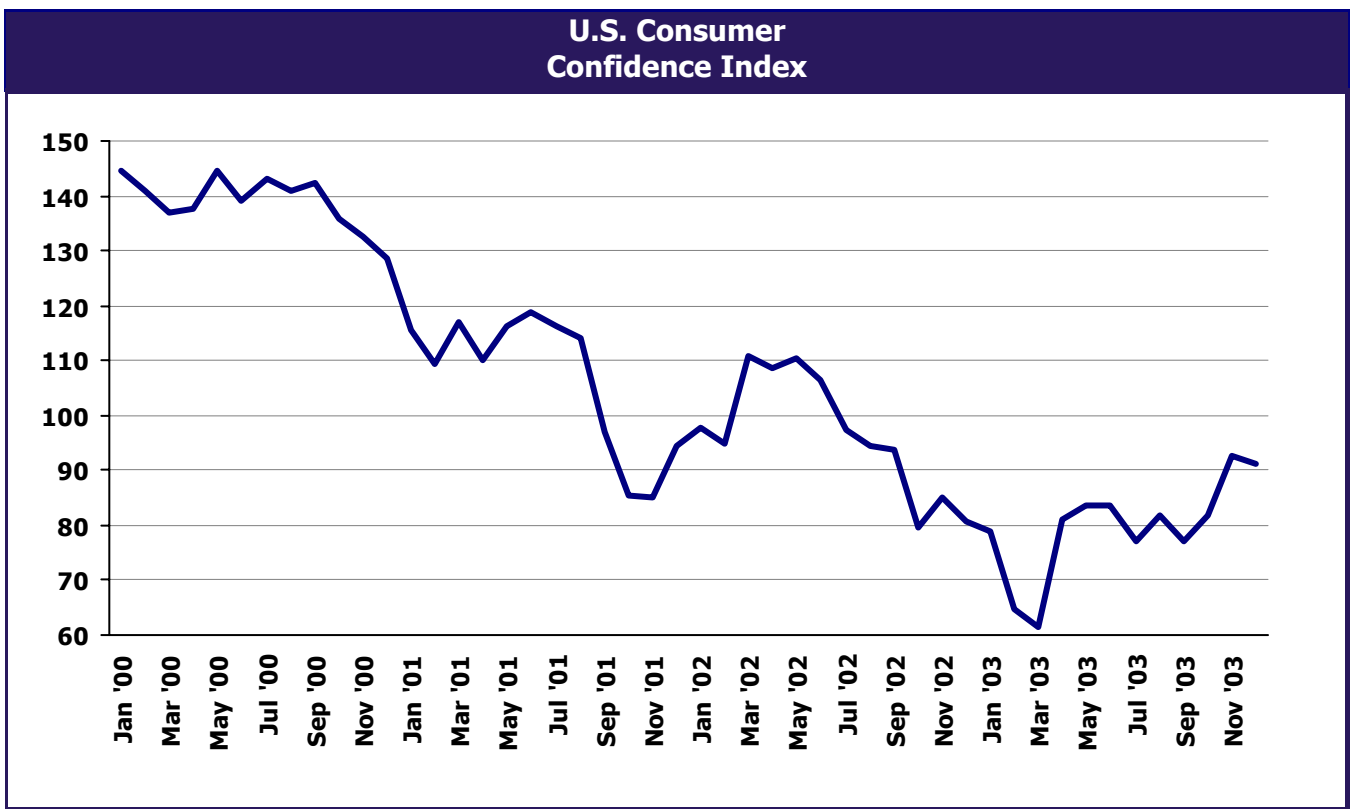
February 12, 2004

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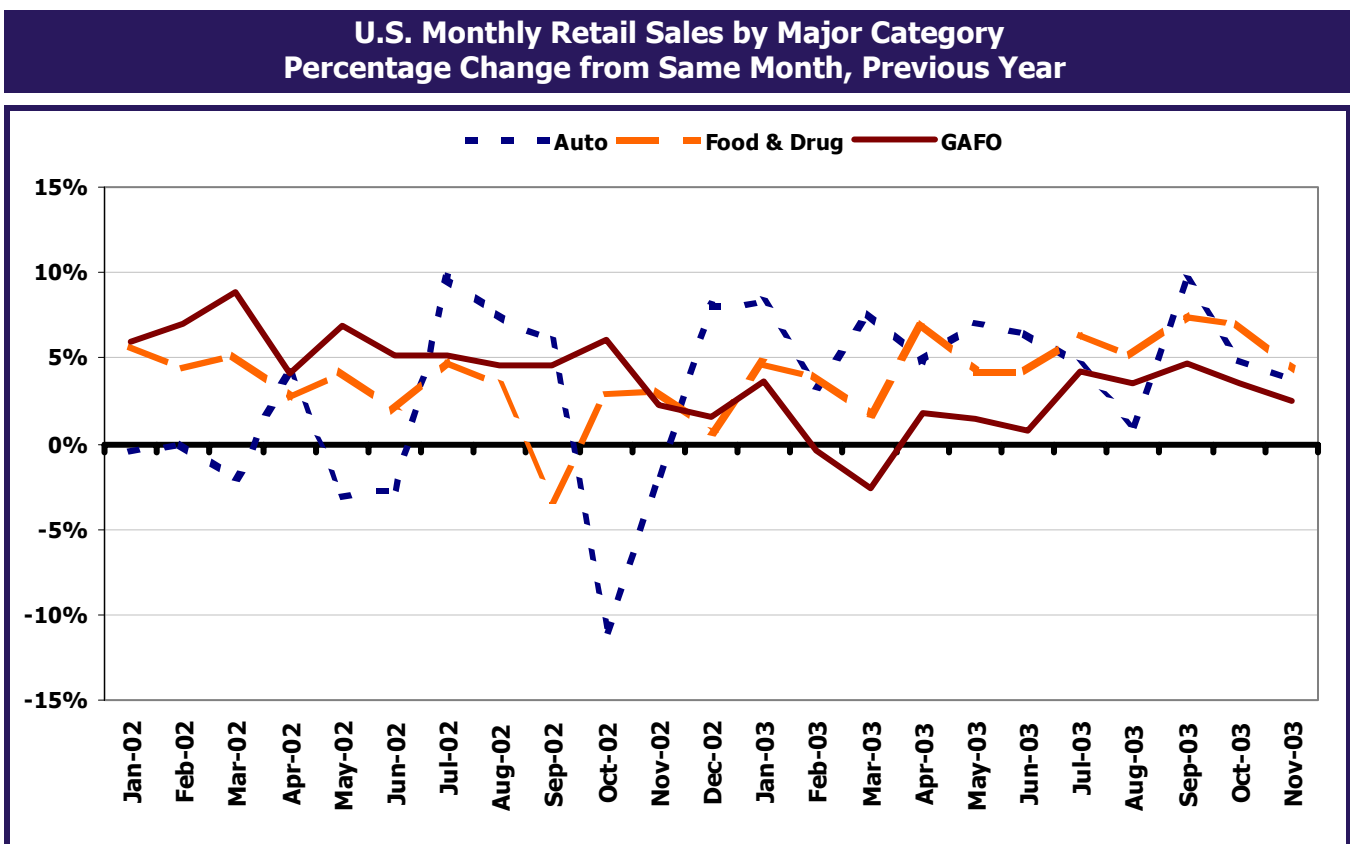
The J.C. Williams Group National Retail Bulletin compares the latest monthly release of "raw" (i.e., unadjusted for seasonality, holiday, and trading day) retail sales figures to those in the *same calendar month of the previous year*. The U.S. Census Bureau also reports seasonally adjusted sales that 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 December</b>	<b>2003</b>	<b>2002</b>	<b>% Change</b>
All Stores	375,726	348,445	7.8%
Motor Vehicle and Parts Dealers	73,597	66,942	9.9%
Gasoline Stations	21,272	20,030	6.2%
Food and Beverage Stores	46,769	44,693	4.6%
Grocery Stores	40,555	38,999	4.0%
Health and Personal Care Stores	18,941	17,120	10.6%
Building Material and Garden Equipment Stores	24,876	21,814	14.0%
General Merchandise Stores	61,443	58,883	4.3%
Department Stores (excluding leased departments)	31,210	31,854	-2.0%
Clothing and Accessories Stores	26,915	25,296	6.4%
Furniture, Home Furnishings, Electronics and Appliance Stores	24,065	21,625	11.3%
Furniture and Home Furnishing Stores	10,416	9,481	9.9%
Electronics and Appliance Stores	13,649	12,144	12.4%
Sporting Goods, Hobby, Book and Music Stores	12,498	12,232	2.2%
Miscellaneous Store Retailers	11,645	10,944	6.4%
Nonstore Retailers	22,541	20,236	11.4%
Food Services and Drinking Places	31,164	28,630	8.9%
<b>Year-to-Date Sales Ending December</b>	<b>2003</b>	<b>2002</b>	<b>% Change</b>
All Stores	3,781,874	3,580,012	5.6%
Motor Vehicle and Parts Dealers	905,463	852,689	6.2%
Gasoline Stations	263,222	240,873	9.3%
Food and Beverage Stores	508,632	490,795	3.6%
Grocery Stores	457,864	442,971	3.4%
Health and Personal Care Stores	191,606	180,180	6.3%
Building Material and Garden Equipment Stores	322,407	300,932	7.1%
General Merchandise Stores	476,118	455,674	4.5%
Department Stores (excluding leased departments)	217,831	225,912	-3.6%
Clothing and Accessories Stores	178,684	171,874	4.0%
Furniture, Home Furnishings, Electronics and Appliance Stores	195,716	185,074	5.8%
Furniture and Home Furnishing Stores	100,242	94,978	5.5%
Electronics and Appliance Stores	95,474	90,096	6.0%
Sporting Goods, Hobby, Book and Music Stores	81,621	82,004	-0.5%
Miscellaneous Store Retailers	105,256	104,507	0.7%
Nonstore Retailers	194,342	180,805	7.5%
Food Services and Drinking Places	358,807	334,605	7.2%

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