

# Bulletin

Canadian Data

August 2004 Retail Sales • Released October 21, 2004

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## BACK TO THE BOOKS

August was back to school month. This lucrative retail-selling season began with a lesson for retailers to sharpen their own pencils or else the upcoming holiday season will be a disaster. There were hopes that the strong posting in July would help carry retailers through the fall season. The fact that the August holiday weekend fell primarily in July may have affected some stores' growth rates.

Retail sales gained 2.2% over last year, well below their year-to-date average (4.2%).

Building and Outdoor Home Supplies Stores advanced to the head of class, buoyed by persistently strong housing demand and a desire to invest in home equity. While off their year-to-date average, the category gained 7.2% compared to last August.

Pharmacies and Personal Care Stores were slightly off their year-to-date growth of 7.9%. Store expansions and larger and new formats have helped to boost sales.

At the back of the pack, Shoes, Clothing Accessories, and Jewellery Stores failed to pass muster and slipped 8.9% dragging their year-to-date growth to -1.3%.

Sales at Food and Beverage Stores were weighed down like a sack of potatoes. The category, particularly Supermarkets, experienced slower sales growth as sales fell 1.2%.

Even Miscellaneous Retailers, which had been growing at double-digit growth, fell by 0.3%.

Further calculations also revealed that categories that appeared to be doing relatively well also suffered. Furniture and Home Furnishings Stores gained 4.8% but further investigation revealed that this growth was entirely reliant on Home Furnishings Stores rather than Furniture Stores. Home Furnishings Stores gained 15.5% but Furniture Stores held even at 0.1% compared to last year.

Clothing Stores growth clocked in at 2.1%, which is below their year-to-date growth of 5.0%. As stated, the back-to-school season was extremely important to many retailers and it appeared as though many retailers, sensing a slower season, lowered prices very early. Department Stores also felt the sting of a slower month.

While the year-to-date sales remained relatively strong for Canadian retailers, August demonstrated that growth cannot

be taken for granted. Presently, there is no time to rest on your laurels, as hard work and determination are required to take everyone to the finish line in December.

## ESSENTIAL LEARNING

New from J.C. Williams Group and Moneris Solutions is an exciting retail data release report that will be of critical importance for all Canadian retailers. The report will be based on Moneris Solutions transactions. Third quarter retail sales growth will be available next week.

**Watch for it!**

## DYNAMIC DIGITAL MERCHANDISING

Consumers are up to 30% more likely to purchase products where there is a POS advertisement. Read this brief from IBM to find out more.

[Dynamic Digital Merchandising](#)

## RELEASE DATE OF THE NEXT NATIONAL RETAIL BULLETIN

November 22, 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: August	2004	2003	2004/2003
<b>All Stores</b>	<b>29,687.3</b>	<b>29,052.0</b>	<b>2.2%</b>
Automotive	10,273.7	9,897.6	3.8%
<b>All Stores Less Automotive</b>	<b>19,413.7</b>	<b>19,154.4</b>	<b>1.4%</b>
Food and Beverage Stores	6,910.4	6,997.5	-1.2%
Pharmacies and Personal Care Stores	1,866.2	1,742.0	7.1%
<b>All Stores Less Automotive, Food, Pharmacies</b>	<b>10,637.0</b>	<b>10,414.9</b>	<b>2.1%</b>
<b>General Merchandise Stores</b>	<b>3,434.3</b>	<b>3,381.8</b>	<b>1.6%</b>
Department Stores	1,757.8	1,734.1	1.4%
Other General Merchandise Stores	1,676.5	1,647.7	1.7%
<b>Furniture, Home Furnishings and Electronics Stores</b>	<b>2,032.4</b>	<b>1,980.9</b>	<b>2.6%</b>
Furniture and Home Furnishings Stores	1,117.2	1,066.0	4.8%
Computer, Software, Home Electronics, and Appliance Stores	915.2	914.9	0.0%
<b>Clothing and Accessories Stores</b>	<b>1,655.9</b>	<b>1,668.8</b>	<b>-0.8%</b>
Clothing Stores	1,259.7	1,233.7	2.1%
Shoes, Clothing Accessories, and Jewellery Stores	396.2	435.1	-8.9%
<b>Sporting Goods, Hobby, Music, and Book Stores</b>	<b>745.3</b>	<b>743.8</b>	<b>0.2%</b>
<b>Building and Outdoor Home Supplies Stores</b>	<b>1,956.6</b>	<b>1,824.8</b>	<b>7.2%</b>
<b>Miscellaneous Store Retailers</b>	<b>812.5</b>	<b>814.7</b>	<b>-0.3%</b>

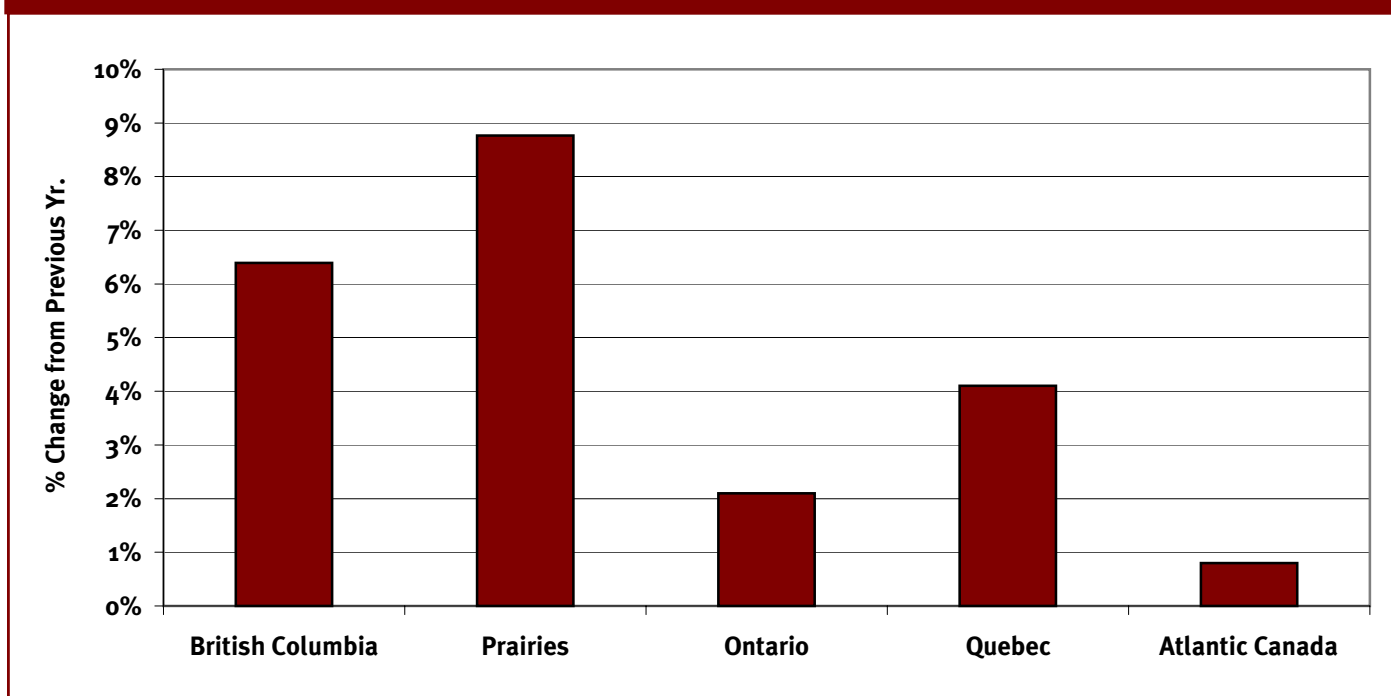
Year-to-date Sales	2004	2003	2004/2003
<b>All Stores</b>	<b>224,469.5</b>	<b>215,367.6</b>	<b>4.2%</b>
Automotive	78,801.3	77,784.7	1.3%
<b>All Stores Less Automotive</b>	<b>145,668.3</b>	<b>137,582.8</b>	<b>5.9%</b>
Food and Beverage Stores	53,337.7	51,112.1	4.4%
Pharmacies and Personal Care Stores	14,813.7	13,727.6	7.9%
<b>All Stores Less Automotive, Food, Pharmacies</b>	<b>92,330.6</b>	<b>86,470.7</b>	<b>6.8%</b>
<b>General Merchandise Stores</b>	<b>25,728.3</b>	<b>24,315.8</b>	<b>5.8%</b>
Department Stores	12,895.7	12,155.7	6.1%
Other General Merchandise Stores	12,832.6	12,160.2	9.3%
<b>Furniture, Home Furnishings and Electronics Stores</b>	<b>14,715.7</b>	<b>13,818.6</b>	<b>6.5%</b>
Furniture and Home Furnishings Stores	8,112.4	7,423.1	9.3%
Computer, Software, Home Electronics, and Appliance Stores	6,603.3	6,395.5	3.2%
<b>Clothing and Accessories Stores</b>	<b>11,948.3</b>	<b>11,555.8</b>	<b>3.4%</b>
Clothing Stores	9,039.2	8,608.2	5.0%
Shoes, Clothing Accessories, and Jewellery Stores	2,909.1	2,947.6	-1.3%
<b>Sporting Goods, Hobby, Music, and Book Stores</b>	<b>5,270.4</b>	<b>5,168.8</b>	<b>2.0%</b>
<b>Building and Outdoor Home Supplies Stores</b>	<b>13,669.4</b>	<b>12,436.5</b>	<b>9.9%</b>
<b>Miscellaneous Store Retailers</b>	<b>6,184.7</b>	<b>5,447.6</b>	<b>13.5%</b>

ALL DOLLAR VALUES EXPRESSED IN MILLIONS OF CANADIAN DOLLARS; UNADJUSTED FIGURES; SOURCE: STATISTICS CANADA

## Retail Trade, Canada, All Stores, by Region

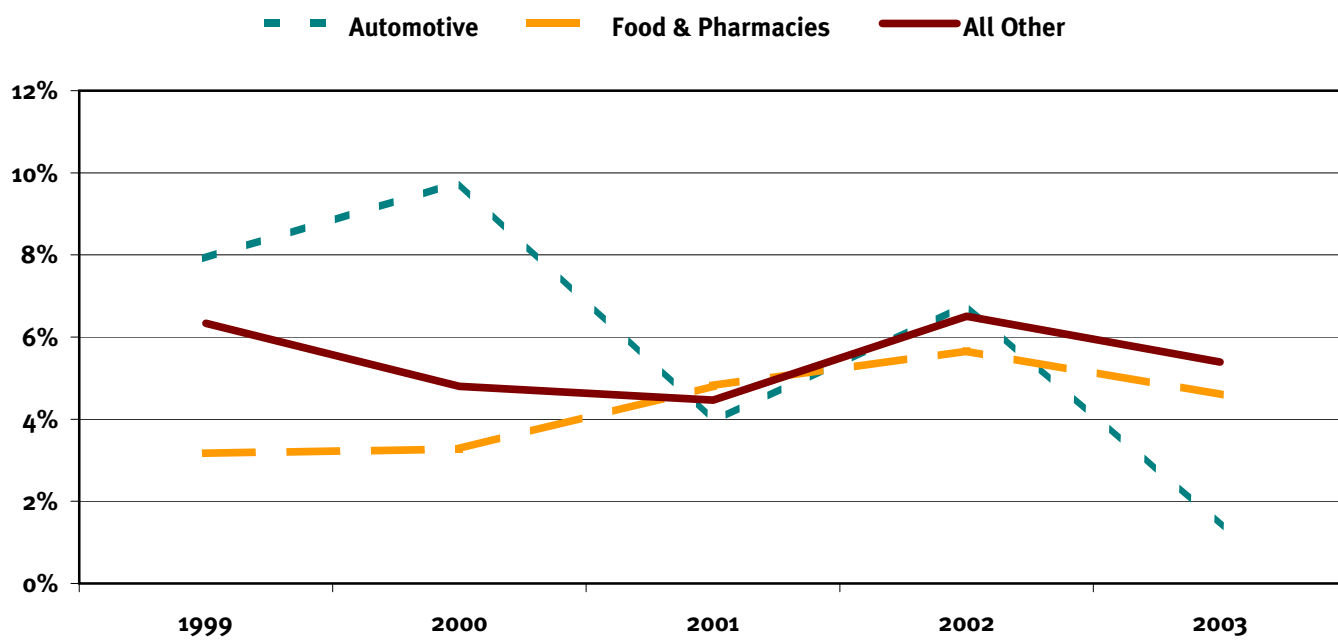
	Year-to-date 2004	Same Period 2003	Change 2004/2003
British Columbia	30,585.0	28,748.0	6.4%
Prairies	42,392.7	38,977.2	8.8%
Ontario	82,784.2	81,084.4	2.1%
Quebec	51,540.0	49,509.6	4.1%
Atlantic Canada	16,390.2	16,260.5	0.8%

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

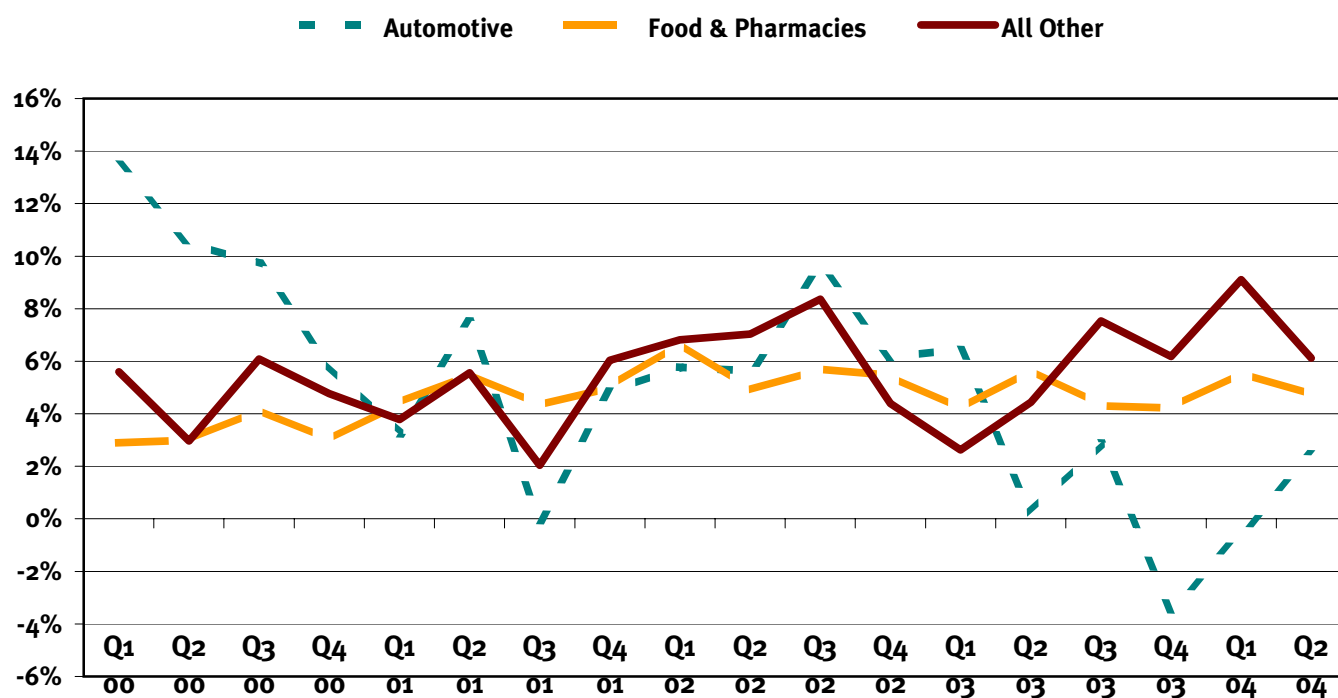


**For more detailed information on retail sales, please contact J.C. Williams Group**

Canadian Retail Sales by Major Product Category, Year Over Year (1999–2003)



Canadian Retail Sales by Major Product Category, From the Same Quarter a Year Earlier



Consumer Price Index

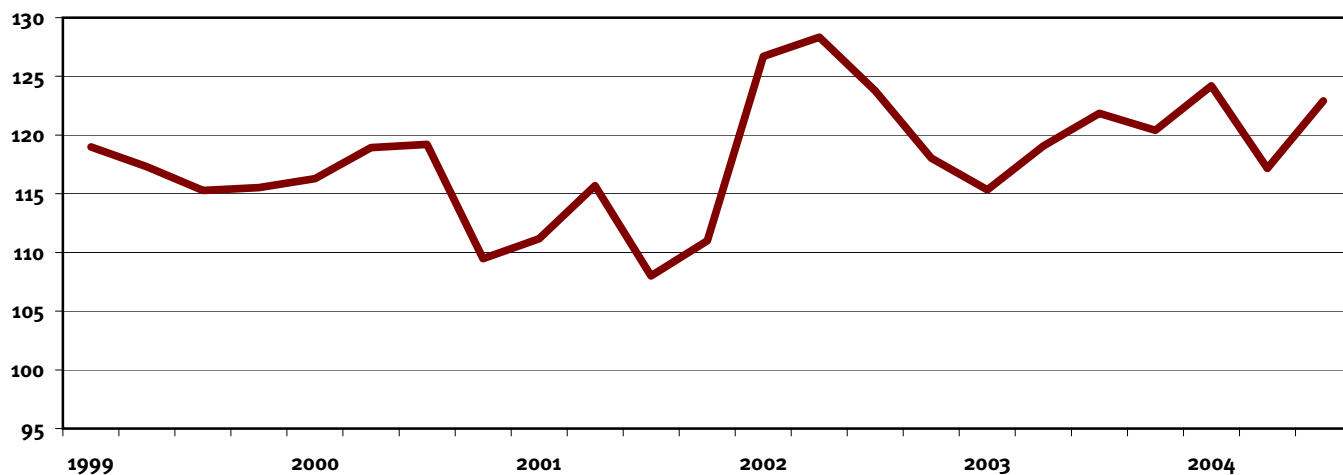
August 2004

vs.

August 2003

1.9%

Canadian Consumer Confidence Index 1999–2004



Source: Conference Board of Canada

Canadian Consumer Expenditures Index 1999–2004

