

# Bulletin

Canadian Data

September 2004 Retail Sales • Released November 22, 2004

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## FALL LINE UP

September retail sales showed solid growth across all store categories, but they were particularly higher for stores that carry a desirable cross section of merchandise.

Food and Beverage Stores led growth in September backed by not only an aggressive expansion plan but by the increased number of commodities now sold at these stores. Loblaw's is a leader in this regard as they continue to develop their Real Canadian Superstore concept. Food and Beverage Stores gained 11.3% in September. Pharmacy and Personal Care Stores have also added additional product lines especially at Shoppers Drug Mart and Jean Coutu to help boost sales beyond prescription drugs and beauty.

Furniture and Home Furnishings Stores grew by 10.5% to beat their year-to-date growth of 9.5%. While the housing market shows signs of softening, J.C. Williams Group expects the home furnishings market to remain strong for the next nine months.

Building and Outdoor Home Supplies Stores posted a sales increase of 10.1% in September. While RONA continued to do well, Home Depot made their first Canadian expansion into the urban market with their smaller version format in West Vancouver. There are plans for further expansion into other markets.

Clothing Stores and Department Stores fared well in September adding a further 7.6% and 7.4% respectively to their sales volume. The clothing sector has been a

relatively hot commodity all year with a couple ups and downs along the way. The recent arrival of H&M, which opened at the Toronto Eaton Centre on September 30<sup>th</sup>, ushered in a fall line up that caused long line ups at the fitting rooms and check-outs.

Looking forward to the fourth quarter, while the relatively warm fall will hurt cold weather wear sales, new stores such as H&M and the new shopping mall Vaughan Mills will counteract creating continued growth for this sector. J.C. Williams Group still holds that the holiday season will generate sales growth of 5% to 7% buoyed by new clothing stores and hot consumer electronic products and games.

The other wild card remains the effect of cross-border shopping. The dramatic rise of the Canadian dollar to the greenback echoes back to the 1980s when a high dollar led to a flood of Canadians to the border. That same phenomenon will not be repeated this time. A number of changes have occurred since then, namely:

- There is the increased hassle of crossing the border creating a negative overall experience;

- Canada now has many of the same retailers as in the U.S.;
- The value sector is now very well established in Canada with retailers such as Wal-Mart, Winners, Home Sense, and other power centre retailers;
- A number of value-oriented retailers, such as Zara and H&M, are better than U.S. retailers; and
- Canadians can still shop online at some American sites for exchange rate bargains.

## ONLINE GIFT REGISTRIES

Gift giving can be stressful. Many prefer to take the guesswork out by using online gift registries to choose that perfect gift. Find out how Sur La Table is growing their business with a gift registry solution. Click here to find out more.

[Online Gift Registries](#)

## RELEASE DATE OF THE NEXT NATIONAL RETAIL BULLETIN

December 21, 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: September	2004	2003	2004/2003
<b>All Stores</b>	<b>29,261.5</b>	<b>27,442.4</b>	<b>6.6%</b>
Automotive	9,942.8	9,612.7	3.4%
<b>All Stores Less Automotive</b>	<b>19,318.6</b>	<b>17,829.6</b>	<b>8.4%</b>
Food and Beverage Stores	6,852.3	6,156.8	11.3%
Pharmacies and Personal Care Stores	1,879.3	1,747.2	7.6%
<b>All Stores Less Automotive, Food, Pharmacies</b>	<b>10,587.0</b>	<b>9,925.6</b>	<b>6.7%</b>
<b>General Merchandise Stores</b>	<b>3,262.1</b>	<b>3,058.0</b>	<b>6.7%</b>
Department Stores	1,685.7	1,569.4	7.4%
Other General Merchandise Stores	1,576.4	1,488.6	5.9%
<b>Furniture, Home Furnishings and Electronics Stores</b>	<b>2,071.8</b>	<b>1,944.3</b>	<b>6.6%</b>
Furniture and Home Furnishings Stores	1,128.6	1,021.6	10.5%
Computer, Software, Home Electronics, and Appliance Stores	943.3	922.7	2.2%
<b>Clothing and Accessories Stores</b>	<b>1,697.0</b>	<b>1,602.4</b>	<b>5.9%</b>
Clothing Stores	1,315.6	1,222.1	7.6%
Shoes, Clothing Accessories, and Jewellery Stores	381.5	380.3	0.3%
<b>Sporting Goods, Hobby, Music, and Book Stores</b>	<b>742.1</b>	<b>716.5</b>	<b>3.6%</b>
<b>Building and Outdoor Home Supplies Stores</b>	<b>1,980.0</b>	<b>1,798.7</b>	<b>10.1%</b>
<b>Miscellaneous Store Retailers</b>	<b>834.0</b>	<b>805.7</b>	<b>3.5%</b>

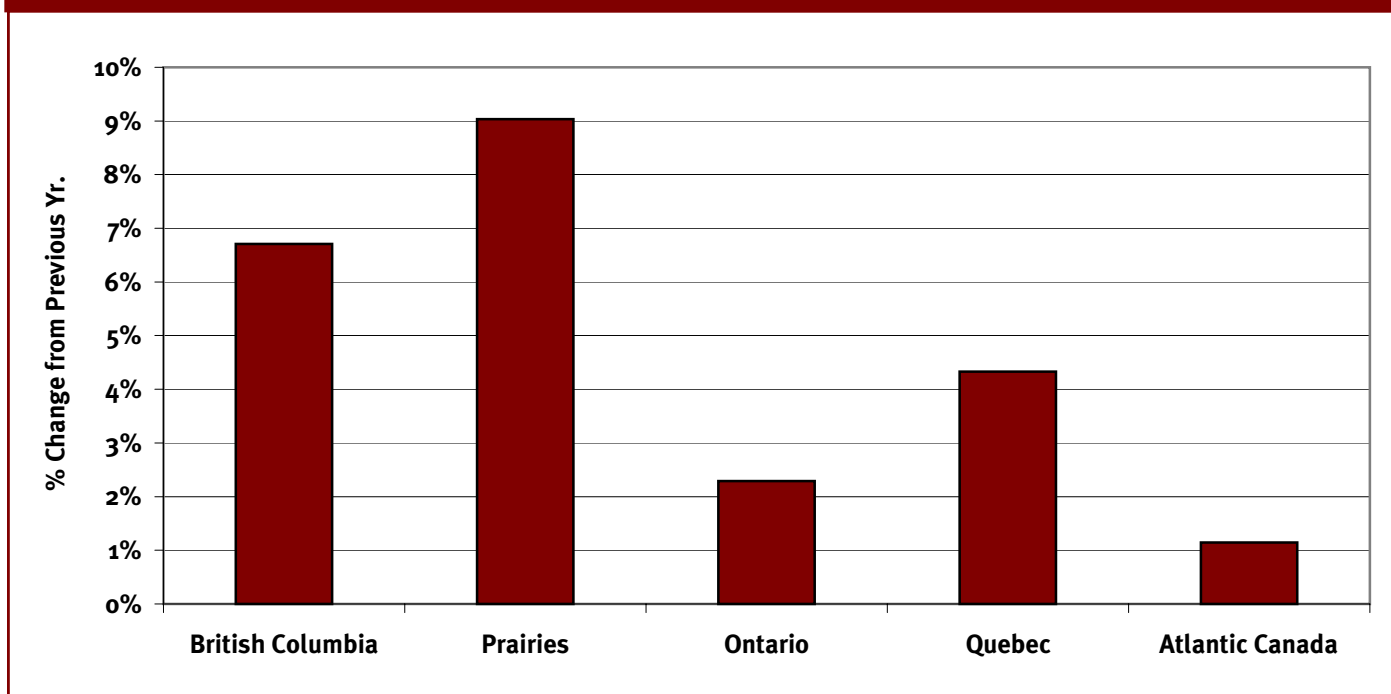
Year-to-date Sales	2004	2003	2004/2003
<b>All Stores</b>	<b>253,658.1</b>	<b>242,809.9</b>	<b>4.5%</b>
Automotive	88,691.8	87,397.5	1.5%
<b>All Stores Less Automotive</b>	<b>164,966.3</b>	<b>155,412.5</b>	<b>6.1%</b>
Food and Beverage Stores	60,165.2	57,268.9	5.1%
Pharmacies and Personal Care Stores	16,699.6	15,474.7	7.9%
<b>All Stores Less Automotive, Food, Pharmacies</b>	<b>104,801.2</b>	<b>98,143.6</b>	<b>6.8%</b>
<b>General Merchandise Stores</b>	<b>28,991.7</b>	<b>27,373.8</b>	<b>5.9%</b>
Department Stores	14,581.4	13,725.1	6.2%
Other General Merchandise Stores	14,410.3	13,648.8	9.5%
<b>Furniture, Home Furnishings and Electronics Stores</b>	<b>16,781.4</b>	<b>15,763.0</b>	<b>6.5%</b>
Furniture and Home Furnishings Stores	9,244.3	8,444.7	9.5%
Computer, Software, Home Electronics, and Appliance Stores	7,537.1	7,318.2	3.0%
<b>Clothing and Accessories Stores</b>	<b>13,649.2</b>	<b>13,158.2</b>	<b>3.7%</b>
Clothing Stores	10,354.6	9,830.3	5.3%
Shoes, Clothing Accessories, and Jewellery Stores	3,294.6	3,327.9	-1.0%
<b>Sporting Goods, Hobby, Music, and Book Stores</b>	<b>6,017.2</b>	<b>5,885.3</b>	<b>2.2%</b>
<b>Building and Outdoor Home Supplies Stores</b>	<b>15,647.3</b>	<b>14,235.2</b>	<b>9.9%</b>
<b>Miscellaneous Store Retailers</b>	<b>7,014.7</b>	<b>6,253.2</b>	<b>12.2%</b>

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

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

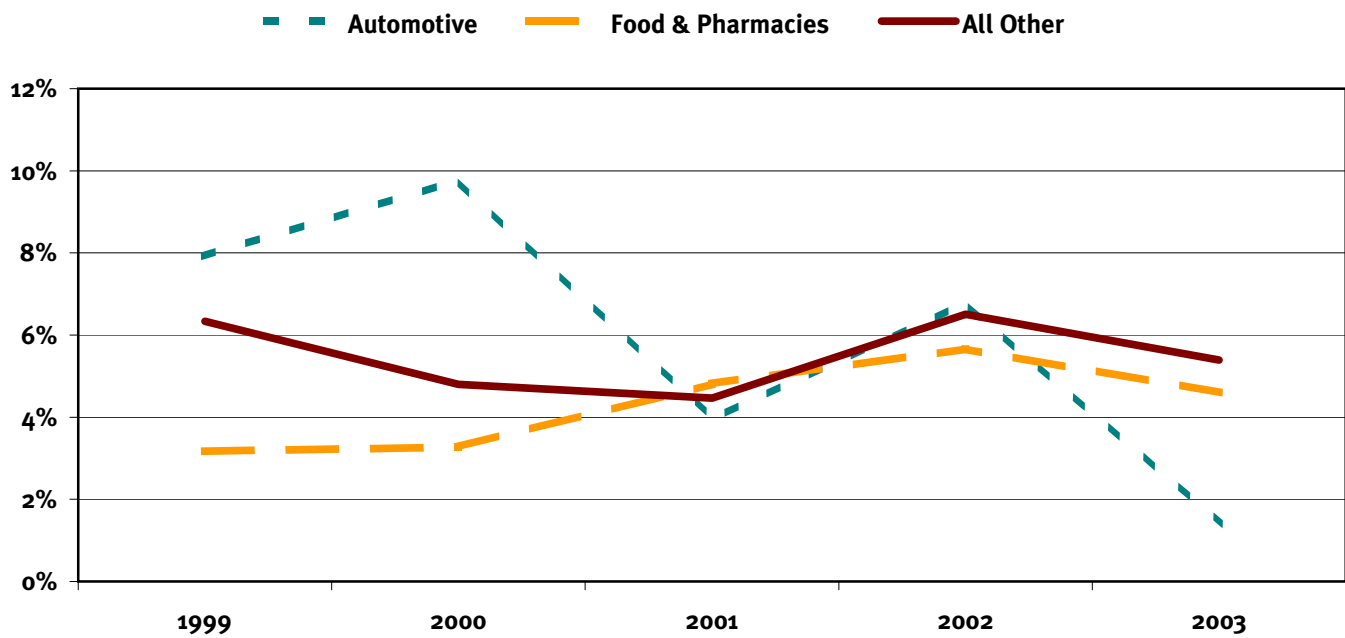
	Year-to-date 2004	Same Period 2003	Change 2004/2003
British Columbia	34,513.2	32,344.3	6.7%
Prairies	47,963.6	43,990.7	9.0%
Ontario	93,681.2	91,585.6	2.3%
Quebec	58,129.0	55,715.5	4.3%
Atlantic Canada	18,494.3	18,285.3	1.1%

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

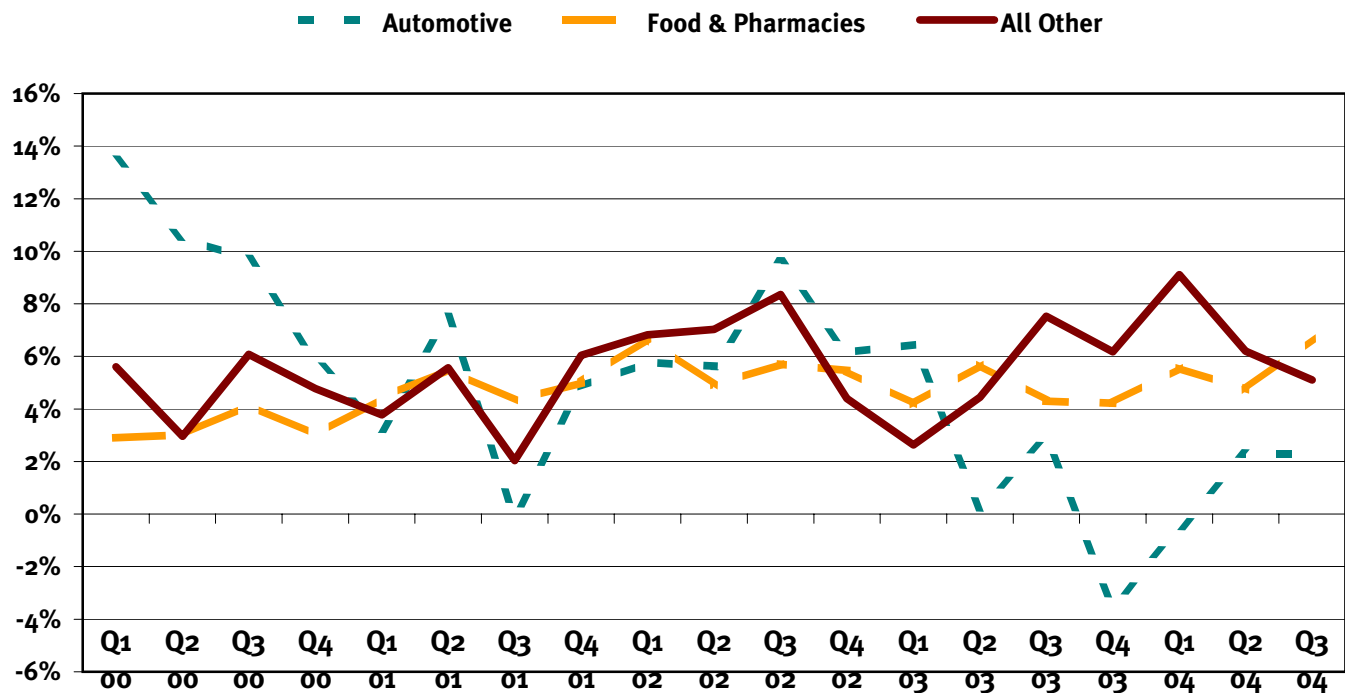


For more detailed information on retail sales, please contact J.C. Williams Group

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**

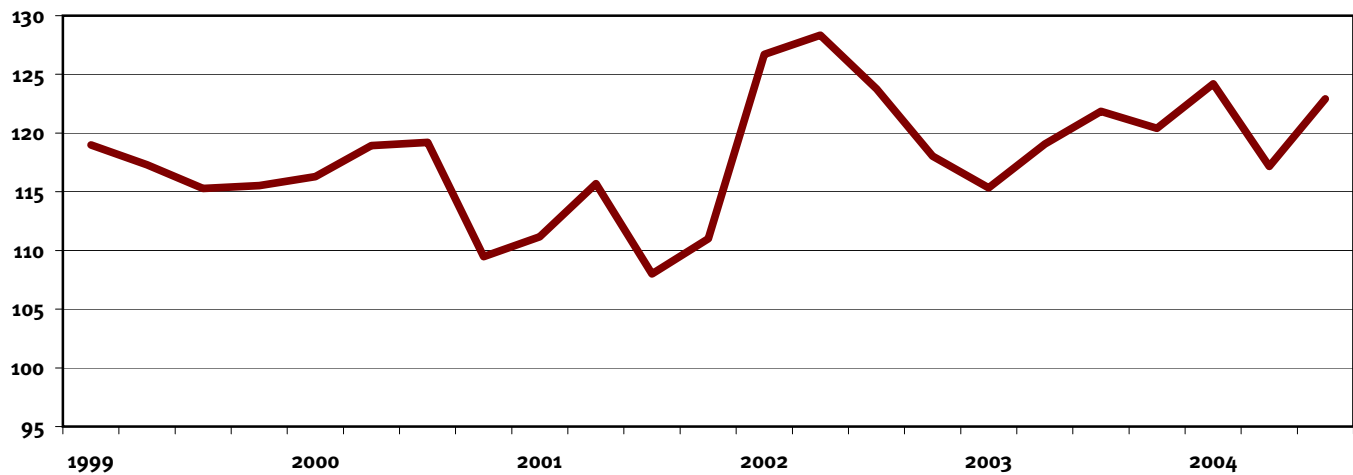
September 2004

vs.

September 2003

1.8%

**Canadian Consumer Confidence Index 1999–2004**



Source: Conference Board of Canada

**Canadian Consumer Expenditures Index 1999–2004**

