

# Bulletin

November Retail Sales, Released January 22, 2001

R...?

Stop using the R-word!

The media have picked up on using this word and they are scaring Canadian consumers. So, J.C. Williams Group has one request, stop using the word; otherwise, it will become a self-fulfilling prophecy.

We do not see any signs of it.

The November retail sales figures bear witness to the fact that retail sales for the holiday season started off better than anticipated. Overall, many retailers reported strong, and vibrant sales growth that flies in the face of R-word aficionados. Stores such as Mark's Work Warehouse, Future Shop, Chapters, Holt Renfrew, Shopper's Drug Mart, Campus Crew, Bata, and Birk's all reported doing well.

*John Williams*

*John Torella*

## Cold Inspired Growth

November's cold spell didn't put off consumer spending. Consumers increased their spending on All Stores Less Auto, Food and Drug sales by 7.5% over November last year. Consumers' love affair with electronics and home furnishings propelled the Furniture, Appliance, and Furnishings Stores category to 8.7% growth. While this is down

from the usual double-digit growth we are accustomed to seeing, the sector still appears healthy.

In the Clothing and Shoe Stores category, Shoe Stores performed much better for the month than they have been doing in the past. The real winner is Other Clothing Stores, which grew by 16% compared to November 1999. Colder weather for most of the country help to push seasonal merchandise in this category

Department Stores are up over last year at this time due to the expansion by stores such as Wal-Mart and the conversion of previously closed Eaton's locations into Sears, The Bay, and Eatons.

## Strong Regions

Regionally, on a year-to-date basis, things have not changed much. The Prairies and Ontario are doing well but no region is achieving poor results.

## Confidence Index Update

The Canadian Consumer Confidence Index has been updated for Winter 2000. While the index dropped 4 points from the third quarter it is approximately the same as the first quarter of this year. For the last two years, the index has fluctuated fairly consistently between the 115 and 120 mark, but it is considerably higher than the early 1990s.

## Retail Branding

John Torella's recently released book, *Stop Talking, Start Doing Retail Branding*, provides essential information on the science and art of whole branding that comes from decades of experience with experts in retail branding around the world. Full of insights, this book is available for \$49.50 by contacting J.C. Williams Group ([www.jcwg.com](http://www.jcwg.com)).

### 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: November                  | 2000            | 1999            | 2000 / 1999 |
|---|-----------------|-----------------|-------------|
| <b>All Stores</b>                                 | <b>23,789.8</b> | <b>22,208.9</b> | <b>7.1%</b> |
| Automotive Group                                  | 9,109.7         | 8,519.5         | 6.9%        |
| All Stores Less Automotive                        | 14,680.2        | 13,689.4        | 7.2%        |
| Food and Drug Group                               | 6,169.6         | 5,770.6         | 6.9%        |
| <b>All Stores Less Auto, Food and Drug</b>        | <b>8,510.5</b>  | <b>7,918.8</b>  | <b>7.5%</b> |
| <b>General Merchandise Stores</b>                 | <b>3,164.3</b>  | <b>2,961.3</b>  | <b>6.9%</b> |
| Department Stores (incl concessions)              | 1,928.7         | 1,814.7         | 6.3%        |
| <b>Furniture, Appliance, Furnishings Stores</b>   | <b>1,420.0</b>  | <b>1,306.6</b>  | <b>8.7%</b> |
| <b>All Clothing and Shoe Stores</b>               | <b>1,427.3</b>  | <b>1,325.1</b>  | <b>7.7%</b> |
| Women's Clothing Stores                           | 420.6           | 410.9           | 2.4%        |
| Men's Clothing Stores                             | 145.0           | 156.1           | -7.1%       |
| Shoe Stores                                       | 144.6           | 140.1           | 3.2%        |
| <b>All Other Retail (except auto, food, drug)</b> | <b>2,498.9</b>  | <b>2,325.8</b>  | <b>7.4%</b> |

| Year-to-date Sales                                | 2000             | 1999             | 2000/1999    |
|---|------------------|------------------|--------------|
| <b>All Stores</b>                                 | <b>249,034.8</b> | <b>233,539.2</b> | <b>6.6%</b>  |
| Automotive Group                                  | 102,653.7        | 93,784.4         | 9.5%         |
| All Stores Less Automotive                        | 146,381.1        | 139,754.8        | 4.7%         |
| Food and Drug Group                               | 67,540.9         | 65,257.9         | 3.5%         |
| <b>All Stores Less Auto, Food and Drug</b>        | <b>78,840.3</b>  | <b>74,496.9</b>  | <b>5.8%</b>  |
| <b>General Merchandise Stores</b>                 | <b>26,884.0</b>  | <b>25,842.5</b>  | <b>4.0%</b>  |
| Department Stores (incl concessions)              | 15,446.1         | 15,251.9         | 1.3%         |
| <b>Furniture, Appliance, Furnishings Stores</b>   | <b>13,263.0</b>  | <b>11,917.8</b>  | <b>11.3%</b> |
| <b>All Clothing and Shoe Stores</b>               | <b>12,998.6</b>  | <b>12,313.0</b>  | <b>5.6%</b>  |
| Women's Clothing Stores                           | 4,004.1          | 3,892.3          | 2.9%         |
| Men's Clothing Stores                             | 1,290.1          | 1,275.4          | 1.2%         |
| Shoe Stores                                       | 1,439.9          | 1,447.5          | -0.5%        |
| <b>All Other Retail (except auto, food, drug)</b> | <b>25,694.6</b>  | <b>24,423.6</b>  | <b>5.2%</b>  |

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

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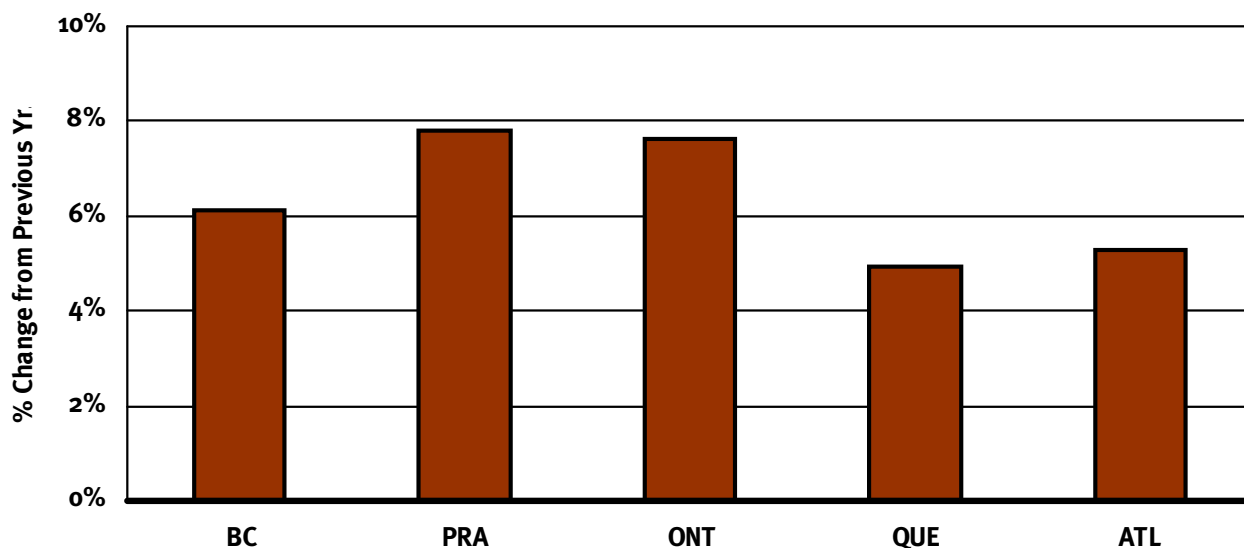
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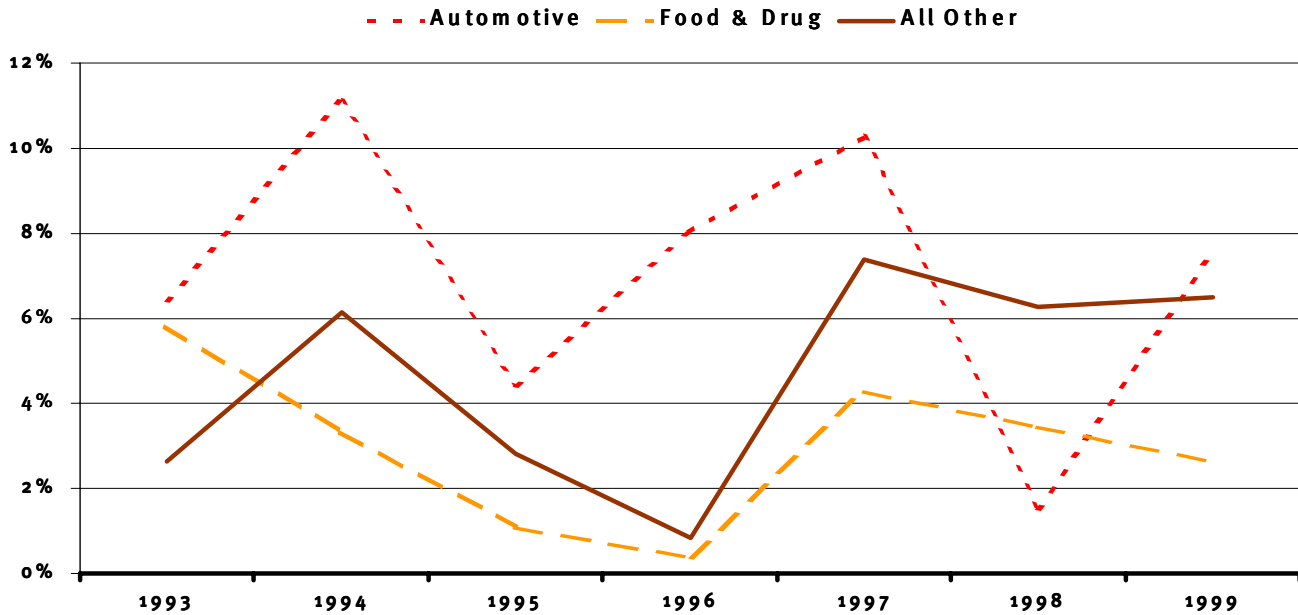
RETAIL TRADE, CANADA, ALL STORES, BY MAJOR REGION

|                  | Year-to-Date<br>2000 | Same Period<br>1999 | Change<br>2000 / 1999 |
|------------------|----------------------|---------------------|-----------------------|
| British Columbia | 31,997.4             | 30,147.9            | 6.1%                  |
| Prairies         | 44,338.9             | 41,131.3            | 7.8%                  |
| Ontario          | 95,284.2             | 88,540.5            | 7.6%                  |
| Quebec           | 57,583.0             | 54,883.3            | 4.9%                  |
| Atlantic Canada  | 18,999.6             | 18,049.0            | 5.3%                  |

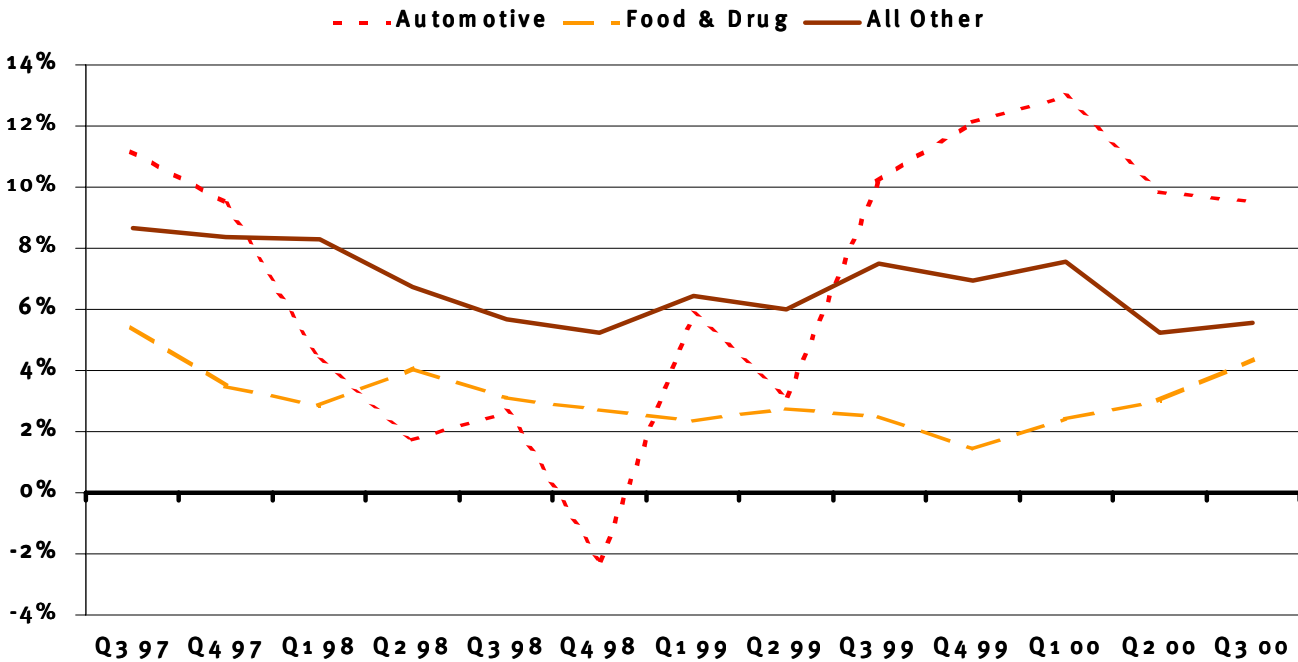
Percentage Change in Retail Trade, All Stores, by Region  
Year-to-Date Compared to Same Period Last Year



Canadian Retail Sales by Major Product Categories Year Over Year (1993 -1999)



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



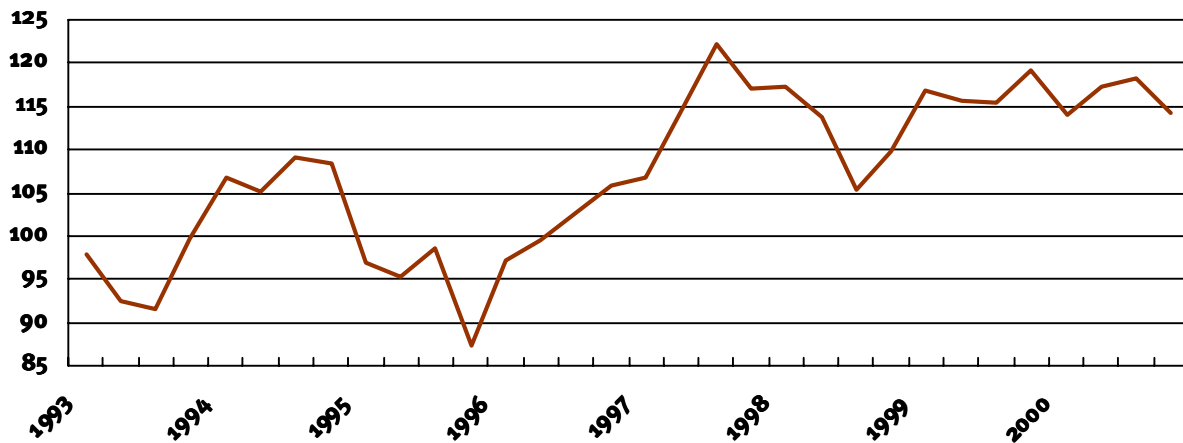
Consumer Price Index

December 2000

vs. December 1999

3.2%

Canadian Consumer Confidence Index 1993-2000



Source: Conference Board of Canada

Canadian Consumer Expenditures Index 1992 - 2000

