

**Retail Shoppers Returning to Normal:
As Gasoline Takes Less of a Chunk Out of Budgets, It Leaves More For Life's Luxuries**

Pam Danziger, president, Unity Marketing,
author of *Why People Buy Things They Don't Need*

Stevens, PA May 14, 2003 — In April after months of turmoil and uncertainty, the nation's shoppers are returning to normal, as retail and food service sales through April 2003 reached \$1,163.7 billion, up 4.5% over the first four months of 2002. As the price of gasoline fell sharply in April, consumers' adjusted their budgets to spend more on luxuries and non-essentials, according to the latest statistics release by the Department of Commerce.

With a late Easter this year, clothing and accessories stores benefited from more consumer spending, as sales rose 2.1% in April over March 2003 results. Consumers also indulged in more spending on jewelry this year, with jewelry store sales up 2.3% during the first quarter of 2003, as compared with 2002.

Increased spending on the garden gave a boost to the nation's building materials, garden equipment and suppliers dealers. These retailers saw sales jump 22.3% over March levels, as consumers turned their attention to enhancing the outdoor living areas of their homes.

Fueled by a passion to reconnect with the external world, 'butterfly' consumers spent more dining out this year, with sales at food service and drinking places up 4.3% for the first four months of 2003.

With consumers returning to normal, the signs are positive through the rest of the year for the nation's motor vehicles and parts dealers, food and beverage stores, health and personal care stores, general and mass merchandisers, nonstore retailers, especially the internet e-commerce sites, and food services and drinking places.

But some categories show weakness through the first four months of 2003. Furniture and home furnishings stores are struggling with only a .8% sales increase over the first four months of 2002. Electronics and appliance stores are down .3%, while sporting goods, hobby, book and music stores declined 1.5%.

Traditional department stores are continuing to have a bad year, as retail sales are off by 5.8% compared to last year. The nation's miscellaneous retailers, including many independent 'mom & pop' type stores, are down .6% from last year.

Retail Sales

Unadjusted total Jan-Apr 2003 and % change to Jan-Apr 2002; Unadjusted total Apr 2003 and % change Mar 2003

	<u>Jan-Apr 2003</u> (\$ in millions)	<u>Jan-Apr</u> <u>% Chg 2002</u>	<u>April 2003</u> (\$ in millions)	<u>Apr-Mar 2003</u> <u>% Chg</u>
Retail & Food Services Total	1,163,720	4.5	309,302	1.1
Motor Vehicles & Parts Dealers	286,003	4.8	78,521	2.4
Furniture & Home Furnishings	29,737	0.8	7,543	-4.8
Electronics & Appliance	27,279	-0.3	6,453	-8.8
Building Matl & Garden Equip.	94,411	3.2	29,823	22.3
Food & Beverage Stores	161,119	2.9	40,931	-0.7
Health & Personal Care Stores	61,367	4.9	15,666	0.2
Gasoline Stations	85,051	16.9	21,825	-4.7
Clothing & Accessories Stores	49,694	0.9	13,729	2.1
Sporting Gds, Hobby, Book, Music	23,408	-1.5	5,837	-1.0
General Merchandise Stores	138,443	3.7	36,686	-0.5
Department Stores	62,236	-5.8	16,679	0.1
Miscellaneous Retailers	32,210	-0.6	8,196	2.5
Nonstore Retailers	63,920	9.2	15,198	-5.5
Food Service & Drinking Places	111,078	4.3	28,894	-2.7

Note: This analysis is based on the Dept of Commerce's UNADJUSTED numbers. These were chosen because they do not mask seasonal variations and normal business ups-and-downs and so more accurately reflect the economic reality of individual businesses and retailers.

Contact: VISIBILITY
www.visibilitypr.com
914 712 2610; Lens@visibilitypr.com

