

MARKET SUMMARY

1.1 The U.S. Retail Sector

The U.S. retail industry encompasses more than 1.6 million retail establishments and employs more than 24 million people (about 1 in 5 American workers), according to the National Retail Federation (NRF, www.nrf.com).

Consumer spending accounts for 70% of the U.S. gross domestic product.

1.2 Market Assessment

According to the Census Bureau (www.census.gov) of the U.S. Department of Commerce, total U.S. retail sales were \$4.14 trillion in 2009, a 6.2% decrease from 2008.

Sales at GAFO (general merchandise, apparel, furnishings, and other) stores were \$1.12 trillion in 2009, a 3.4% decline from 2008. GAFO sales were distributed by month in 2009 as follows:

- January: \$ 83.3 billion (-2.0%)
- February: \$ 82.9 billion (-5.1%)
- March: \$ 87.5 billion (-6.6%)
- April: \$ 87.2 billion (-2.5%)
- May: \$ 93.1 billion (-6.6%)
- June: \$ 88.3 billion (-6.5%)
- July: \$ 89.2 billion (-6.1%)
- August: \$ 95.0 billion (-5.7%)
- September: \$ 85.9 billion (-1.6%)
- October: \$ 91.2 billion (no change)
- November: \$102.7 billion (-1.2%)
- December: \$138.3 billion (0.7%)

Retail sales for stores in the GAFO categories were as follows (change from previous year in parenthesis):

- General merchandise stores, including leased departments (SIC 452): \$594.4 billion (-0.2%)
 - Superstores and warehouse clubs (SIC 45291): \$359.6 billion (2.4%)
 - Discount department stores (SIC 452112): \$124.9 billion (-2.3%)

- Conventional and national chain department stores, including leased departments (SIC 452111): \$ 68.4 billion (-12.6%)
 - Variety stores and miscellaneous (SIC 45299): \$ 46.6 billion (4.0%)
 - Apparel and accessories stores (SIC 448): \$208.5 billion (-3.4%)
 - Family clothing (SIC 44814): \$ 81.7 billion (-1.8%)
 - Women's ready-to-wear (SIC 44812): \$ 35.1 billion (-7.3%)
 - Jewelry stores (SIC 44831): \$ 27.2 billion (-3.4%)
 - Shoe stores (SIC 4482): \$ 25.9 billion (-3.5%)
 - Men's and boy's clothing (SIC 44811): \$ 8.9 billion (-7.2%)
 - Sporting goods, hobby, book, and music stores (SIC 451): \$ 87.2 billion (-0.6%)
 - Sporting goods stores (SIC 45111): \$ 37.4 billion (0.8%)
 - Book stores (SIC 451211): \$ 16.6 billion (-0.8%)
 - Hobby, toy, and game stores ((SIC 45112): \$ 19.6 billion (8.0%)
 - Furniture and home furnishings (SIC 442): \$ 93.9 billion (-11.1%)
 - Electronics and appliance stores (SIC 443): \$102.2 billion (-8.0%)
 - Office supplies and stationary stores (SIC 45321): \$ 20.8 billion (-7.1%)
 - Gift, novelty, and souvenir stores (SIC 45322): \$ 17.6 billion (3.7%)
- Retail sales in non-GAFO retail categories in 2009 were as follows:
- Motor vehicles and parts stores (SIC 441): \$696.5 billion (-12.1%)
 - Food and beverage stores, not including restaurants (SIC 445): \$589.5 billion (0.3%)
 - Restaurants and drinking places (SIC 722): \$455.8 billion (0.6%)
 - Building materials, home improvement and gardening equipment, and supplies dealers (SIC 444): \$286.0 billion (-11.5%)
 - Gasoline stations (SIC 447): \$361.5 billion (-24.5%)
 - Health and personal care stores, including pharmacies and drug stores (SIC 446): \$253.8 billion (3.2%)
 - Non-store retailers (SIC 454): \$295.3 billion (-0.7%)

1.3 Retail Sales By State

According to the National Retail Federation, retail sales in 2009 were distributed by state as follows (percentage of nationwide retail sales in parenthesis):

- Alabama: \$ 34.60 billion (1.50%)
- Alaska: \$ 6.00 billion (0.26%)
- Arizona: \$ 51.68 billion (2.24%)
- Arkansas: \$ 20.99 billion (0.91%)
- California: \$274.53 billion (11.90%)
- Colorado: \$ 39.22 billion (1.70%)
- Connecticut: \$ 28.84 billion (1.25%)
- Delaware: \$ 3.46 billion (0.15%)
- District of Columbia: \$ 8.53 billion (0.37%)
- Florida: \$168.41 billion (7.30%)
- Georgia: \$ 69.44 billion (3.01%)
- Hawaii: \$ 11.53 billion (0.50%)
- Idaho: \$ 11.77 billion (0.51%)
- Illinois: \$ 93.43 billion (4.05%)
- Indiana: \$ 45.91 billion (1.99%)
- Iowa: \$ 21.22 billion (0.92%)
- Kansas: \$ 18.22 billion (0.79%)
- Kentucky: \$ 29.07 billion (1.26%)
- Louisiana: \$ 30.68 billion (1.33%)
- Maine: \$ 11.77 billion (0.51%)
- Maryland: \$ 45.91 billion (1.99%)
- Massachusetts: \$ 53.98 billion (2.34%)
- Michigan: \$ 71.51 billion (3.10%)
- Minnesota: \$ 41.52 billion (1.80%)
- Mississippi: \$ 20.53 billion (0.89%)
- Missouri: \$ 45.45 billion (1.97%)
- Montana: \$ 8.31 billion (0.36%)
- Nebraska: \$ 14.30 billion (0.62%)
- Nevada: \$ 26.30 billion (1.14%)
- New Hampshire: \$ 15.46 billion (0.67%)
- New Jersey: \$ 71.98 billion (3.12%)
- New Mexico: \$ 14.30 billion (0.62%)
- New York: \$136.80 billion (5.93%)
- North Carolina: \$ 66.67 billion (2.89%)
- North Dakota: \$ 5.77 billion (0.25%)
- Ohio: \$ 78.21 billion (3.30%)
- Oklahoma: \$ 23.07 billion (1.00%)
- Oregon: \$ 29.30 billion (1.27%)
- Pennsylvania: \$ 93.89 billion (4.07%)
- Rhode Island: \$ 7.84 billion (0.34%)
- South Carolina: \$ 31.37 billion (1.36%)

- South Dakota: \$ 7.38 billion (0.32%)
- Tennessee: \$ 48.45 billion (2.10%)
- Texas: \$172.79 billion (7.49%)
- Utah: \$ 19.38 billion (0.84%)
- Vermont: \$ 5.77 billion (0.25%)
- Virginia: \$ 60.67 billion (2.63%)
- Washington: \$ 52.14 billion (2.26%)
- West Virginia: \$ 12.46 billion (0.54%)
- Wisconsin: \$ 41.53 billion (1.80%)
- Wyoming: \$ 4.84 billion (0.21%)

CONSUMER PACKAGED GOODS CATEGORIES

30.1 Sales at Mass Market Retail Stores

According to *Mass Market Retailers (MMR)*, based on analysis by Symphony IRI Group (www.symphonyiri.com), the sales of products in supermarkets, drug stores, and discount stores (excluding Walmart) for the 12-month period ending November 1, 2009 were as follows (change from previous year in parenthesis):

• Carbonated beverages:	\$13.84 billion (2.97%)
• Milk:	\$11.05 billion (-14.50%)
• Fresh bread & rolls:	\$ 9.79 billion (1.04%)
• Beer:	\$ 9.38 billion (4.90%)
• Salty snacks:	\$ 9.14 billion (8.60%)
• Cigarettes:	\$ 8.02 billion (11.55%)
• Natural cheese:	\$ 7.62 billion (1.07%)
• Cold cereal:	\$ 6.64 billion (1.56%)
• Frozen dinners/entrees:	\$ 6.36 billion (-0.87%)
• Wine:	\$ 6.08 billion (4.08%)
• Chocolate candy:	\$ 5.11 billion (2.85%)
• Bottled water:	\$ 4.82 billion (-5.60%)
• Ice cream/sherbet:	\$ 4.51 billion (0.18%)
• Juices/refrigerated drinks:	\$ 4.44 billion (-1.32%)
• Soup:	\$ 4.27 billion (1.04%)
• Toilet tissue:	\$ 4.19 billion (3.61%)
• Cookies:	\$ 4.07 billion (0.61%)
• Crackers:	\$ 4.01 billion (2.08%)
• Yogurt:	\$ 3.85 billion (2.63%)
• Bottled juices:	\$ 3.80 billion (-0.69%)
• Laundry detergent:	\$ 3.72 billion (2.55%)
• Dog food:	\$ 3.66 billion (9.42%)
• Coffee:	\$ 3.57 billion (3.83%)
• Luncheon meats:	\$ 3.53 billion (2.47%)
• Fresh eggs:	\$ 3.21 billion (-12.78%)
• Frozen pizza:	\$ 3.15 billion (6.60%)
• Breakfast meats:	\$ 3.08 billion (3.74%)
• Vitamins:	\$ 2.91 billion (9.79%)
• Spirits/liquor:	\$ 2.90 billion (1.17%)
• Baby formula/electrolytes:	\$ 2.89 billion (-5.39%)

• Salad/coleslaw, refrigerated:	\$ 2.81 billion (-1.35%)
• Frozen novelties:	\$ 2.68 billion (2.31%)
• Cold/allergy/sinus tablets:	\$ 2.66 billion (1.72%)
• Non-chocolate candy:	\$ 2.58 billion (4.43%)
• Internal analgesics:	\$ 2.46 billion (1.58%)
• Paper towels:	\$ 2.44 billion (2.47%)
• Diapers:	\$ 2.43 billion (-1.61%)
• Cat food:	\$ 2.41 billion (5.95%)
• Vegetables:	\$ 2.38 billion (8.48%)
• Snack bars/granola bars:	\$ 2.37 billion (2.45%)
• Shortening & oil:	\$ 2.46 billion (4.34%)
• Skin care:	\$ 2.18 billion (4.52%)
• Processed cheese:	\$ 2.16 billion (-3.67%)
• Frozen seafood:	\$ 2.13 billion (7.61%)
• Soap:	\$ 1.99 billion (6.39%)
• Food & trash bags:	\$ 1.94 billion (-2.25%)
• Spices/seasonings:	\$ 1.93 billion (5.33%)
• Frozen plain vegetables:	\$ 1.86 billion (1.92%)
• Dinner sausage:	\$ 1.86 billion (4.68%)
• Gastrointestinal-tablets:	\$ 1.84 billion (3.30%)
• Snack nuts/seeds/corn nuts:	\$ 1.83 billion (1.43%)
• Processed frozen/refrigerated poultry:	\$ 1.77 billion (4.58%)
• Frankfurters:	\$ 1.71 billion (4.18%)
• Pastry/doughnuts:	\$ 1.71 billion (1.30%)
• Frozen/refrigerated poultry:	\$ 1.71 billion (5.09%)
• Canned/bottled fruit:	\$ 1.71 billion (-2.37%)
• Pasta:	\$ 1.65 billion (8.71%)
• Creams/creamers:	\$ 1.63 billion (1.67%)
• Spaghetti/Italian sauce:	\$ 1.62 billion (6.06%)
• Sports drinks:	\$ 1.60 billion (-5.73%)
• Pickles/relish/olives:	\$ 1.59 billion (3.81%)
• Batteries:	\$ 1.57 billion (-1.13%)
• Seafood:	\$ 1.55 billion (6.03%)
• Frozen breakfast food:	\$ 1.53 billion (4.27%)
• Toothpaste:	\$ 1.50 billion (0.39%)
• Rice:	\$ 1.50 billion (9.59%)
• Sanitary napkins/tampons:	\$ 1.50 billion (0.37%)
• Household cleaner:	\$ 1.49 billion (-2.73%)
• Salad dressings:	\$ 1.49 billion (1.86%)
• Mexican foods:	\$ 1.48 billion (4.64%)
• Dry packaged dinners:	\$ 1.47 billion (1.08%)
• Cups & plates:	\$ 1.46 billion (-0.76%)
• Margarine/spreads/butter blends:	\$ 1.45 billion (8.43%)
• Tea/coffee-ready-to-drink:	\$ 1.40 billion (0.93%)