The Busiest Month

December — the biggest shopping month of the year. For those of us who like facts and figures to support our clichés, this statement is borne out by annual retail sales figures from the U.S. Department of Commerce (see Figure 1).
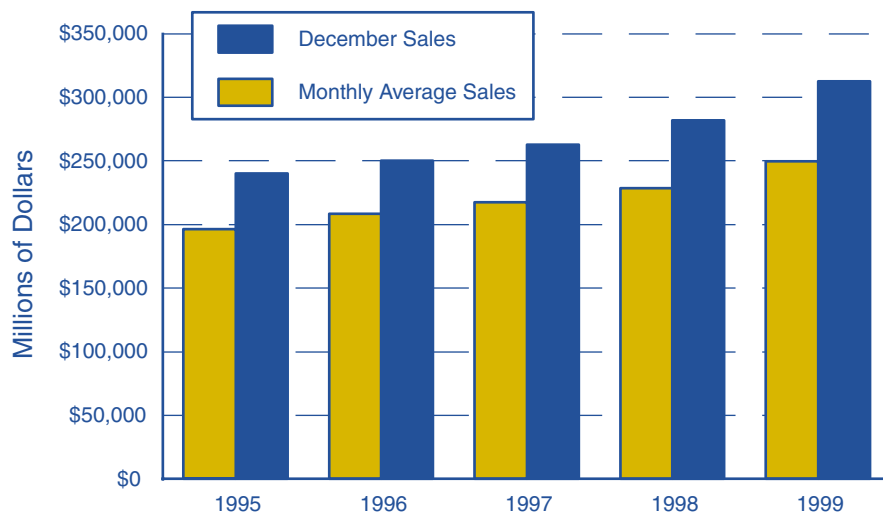
Where did millions of Hoosiers shop during the first December of the 21st century — or was it the last December of the 20th century? We went to press before the December 2000 figures were released, but we can use statistical history as our guide. Looking at the 12 sectors that comprise the retail trade industry (see Table 1), we see that car dealers rank first in both annual sales and in the number of establishments. However, it is unlikely that a new car was found under very many Christmas trees, particularly when the National Retail Federation's annual *Holiday Mood Survey*

(www.nrf.com) estimates consumers will spend an average of $836 each on holiday gifts. Based on sales (again see Table 1), most people will likely frequent stores in the general merchandise sector, and quite possibly they will purchase their holiday gifts and groceries at one of the many new

Figure 1: December IS the Biggest Retail Month

December vs. monthly average sales for U.S., 1995–99

Source: U.S. Bureau of the Census

Table 1: Selling Goods in Indiana: The 12 Sectors of Retailing

Sales Rank	Sales (in mil)	Sector	Rank in Number of Estab.	Number of Estab.	Rank in Number of Paid Employees	Number of Paid Employees	Average Number of Employees per Estab.
1	$15.30	Motor Vehicles (& Parts) Dealers	1	3,202	2	40,300	12.6
2	$8.80	General Merchandise	12	940	1	73,621	78.3
3	$7.80	Food & Beverage	5	2,827	3	59,909	21.2
4	$6.00	Building Materials, Garden Supplies, etc.	6	2,511	4	31,127	12.4
5	$5.30	Gasoline Stations	3	2,973	5	26,427	8.9
6	$3.80	Nonstore Retailers	10	1,006	9	14,638	14.6
7	$2.80	Health & Personal Care	7	1,695	7	21,406	12.6
8	$2.20	Clothing	4	2,923	6	23,949	8.2
9	$1.70	Misc. Store Retailers	2	2,992	8	18,083	6.0
10	$1.30	Furniture	9	1,410	11	10,166	7.2
11	$1.20	Electronics / Appliances	11	963	12	7,322	7.6
12	$1.10	Sporting Goods, Hobby, Book & Music Stores	8	1,512	10	10,919	7.2

Source: U.S. Bureau of the Census, 1997 Economic Census of Retail Trade

> **While warehouse clubs and superstores comprise less than 1% of all retail establishments in the state, they account for $2.5 billion in annual sales.**

warehouse clubs and superstores (a category within the general merchandise sector) that are dotting the retail landscape throughout Indiana and the nation.

There were 49 such warehouse clubs and superstores counted in the 1997 Economic Census in Indiana, according to recently released results. This segment of the retail trade's general merchandising sector (see Figure 2) consists of "warehouse clubs, superstores or supercenters that are primarily engaged in selling a general line of groceries in combination with general lines of new merchandise such as clothing, furniture and appliances" (see www.census.gov/epcd/www/econ97.html for details).

While such stores comprise less than 1% of all retail establishments in the state, they account for $2.5 billion in annual sales — or 28% of all general merchandise sales in Indiana. Put

another way, each of those 49 superstores or warehouse clubs sold an average of $50 million in goods in 1997 (the latest year for which such detailed sales information is available from the federal government).

What are these stores? While the Economic Census, under strict federal rules of confidentiality, cannot divulge names or locations, we can surmise from the definition cited above that stores such as Sam's Club, Meijer, and Super Wal-Marts and Super K-Marts would fall into this category. Some quick research on the Internet provided information on specific superstores in Indiana that meet the criteria of the Census definition.

There are 24 Meijer superstores in Indiana today (compared to five in Illinois, eight in Kentucky, 35 in Ohio
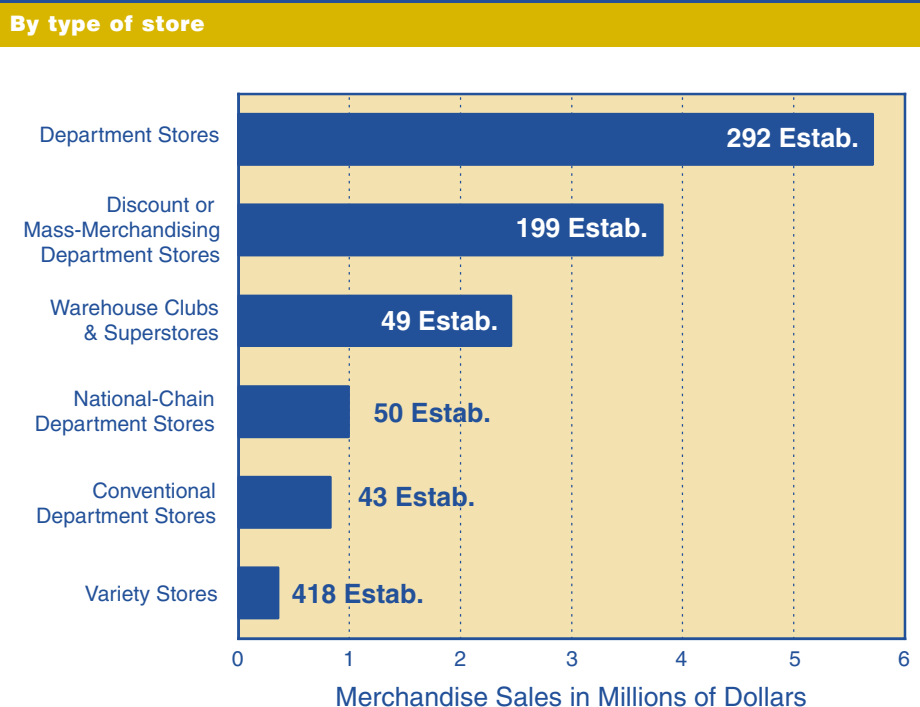
and 71 in Michigan — its home state). They are located in large and medium-size cities across the state — from Michigan City to Merrillville and Richmond to Jeffersonville. The walmart.com Web site yielded a list of approximately 26 Wal-Mart Super Stores (as opposed to regular Wal-Marts) in Indiana.

In the warehouse club category, Sam's Club listed 14 locations in Indiana, 27 in Illinois, five in Kentucky, 21 in Michigan and 24 in Ohio. On the K-Mart Web, it was not possible to cull out the "Super" (or Big K) stores.

What About Holid'e' Commerce?

E-commerce is the hot topic among retailers (while they in turn hope it is a

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Figure 2: General Merchandise Sales and Establishments

By type of store

Store type	Establishments
Department Stores	292 Estab.
Discount or Mass-Merchandising Department Stores	199 Estab.
Warehouse Clubs & Superstores	49 Estab.
National-Chain Department Stores	50 Estab.
Conventional Department Stores	43 Estab.
Variety Stores	418 Estab.

Merchandise Sales in Millions of Dollars (0 – 6)

Source: U.S. Bureau of the Census, 1997 Economic Census of Retail Trade

IN the Spotlight

hot item among consumers). The big question among merchandisers is "can we succeed by cyber-trying?" The Retail Institute at Purdue University predicted in November 2000 that the "amount of Christmas shopping consumers will do online … will triple from last year's $2 billion to more than $6 billion."

The Retail Trade Census, based on NAICS, the new industrial coding system, gives us a glimmer of e-commerce from 1997. Electronic shopping and mail-order houses are within a category called non-store retailers. These retailers sell all types of merchandise by means of mail or electronic media such as interactive television or the Internet. There were 176 such establishments in Indiana, with sales of $2.9 billion and with 8,269 paid employees. These electronic shopping/mail-order houses averaged annual sales of $16.5 million per establishment, based on the 1997 Census. These sales figures do not, of course, include Internet sales by establishments that are classified elsewhere in the Retail Trade industry (such as warehouse clubs, superstores, clothing stores or car dealers).

Because e-commerce data were not captured in the economic census the way it actually works now, the Census Bureau has begun collecting national e-commerce retail sales figures as part of its monthly retail survey (www. census.gov/mrts/www.html). That survey, in its infancy, shows sales of $5.5 billion for the second quarter of 2000, an increase of 5.3% from first quarter 2000. Firms included in this survey are asked each month to report e-commerce sales separately from other sales. Over time, this approach to e-commerce should provide us with a realistic view of Web-based retail sales, as more and more traditional retailers begin to use the Web as another outlet for their goods.

County Highlights

The majority of merchandise sales are still handled in person — that is, the buyer goes to the physical location of the establishment, pays for the goods and takes them away. Modern mail-order sales have been with us since the 19th century, but have never comprised the percentage of sales that Web-based retailers hope to capture from traditional in-store, in-person sales. It is no surprise that generally, our most populous counties also generate the most retail sales (see Table 2).

In the meantime, because population size has such a big impact on sales, how does one compare counties? One way is to try to eliminate the population-size factor by creating a per capita comparison. Figure 3 shows this comparative statistic, arrived at by dividing sales by the total population (in this case, the estimate for 1997). One should not assume this figure compares the consumptive habits of a state's or county's people, as the sales could be coming from people living outside the county. Certainly this will be the case among counties that share state lines or in retail hubs, such as Marion County. And we come back to

Table 2: County Retail Sales: Top Five Counties

County	Sales (000s)	Rank in Sales	Rank in Population
Marion	$10,757,363	1	1
Lake	$4,380,617	2	2
Allen	$3,534,612	3	3
St. Joseph	$2,782,925	4	4
Vigo*	$2,321,321	5	14

Note that Vigo County doesn't fit the picture, ranking 14th in population, while generating substantial retail sales. More on why this might be is explained in the 'County Highlights' section on this page.

Source: U.S. Bureau of the Census, 1997 Economic Census of Retail Trade

Table 3: County Retail Sales: Top Five in Sales per Establishment

County	Sales (000s)	Rank in Sales per Establishment	Rank in Establishments
Vigo	$4,560,522	1	13
Hamilton	$3,112,376	2	7
Marion	$2,943,996	3	1
Allen	$2,677,736	4	3
Clark	$2,677,355	5	15

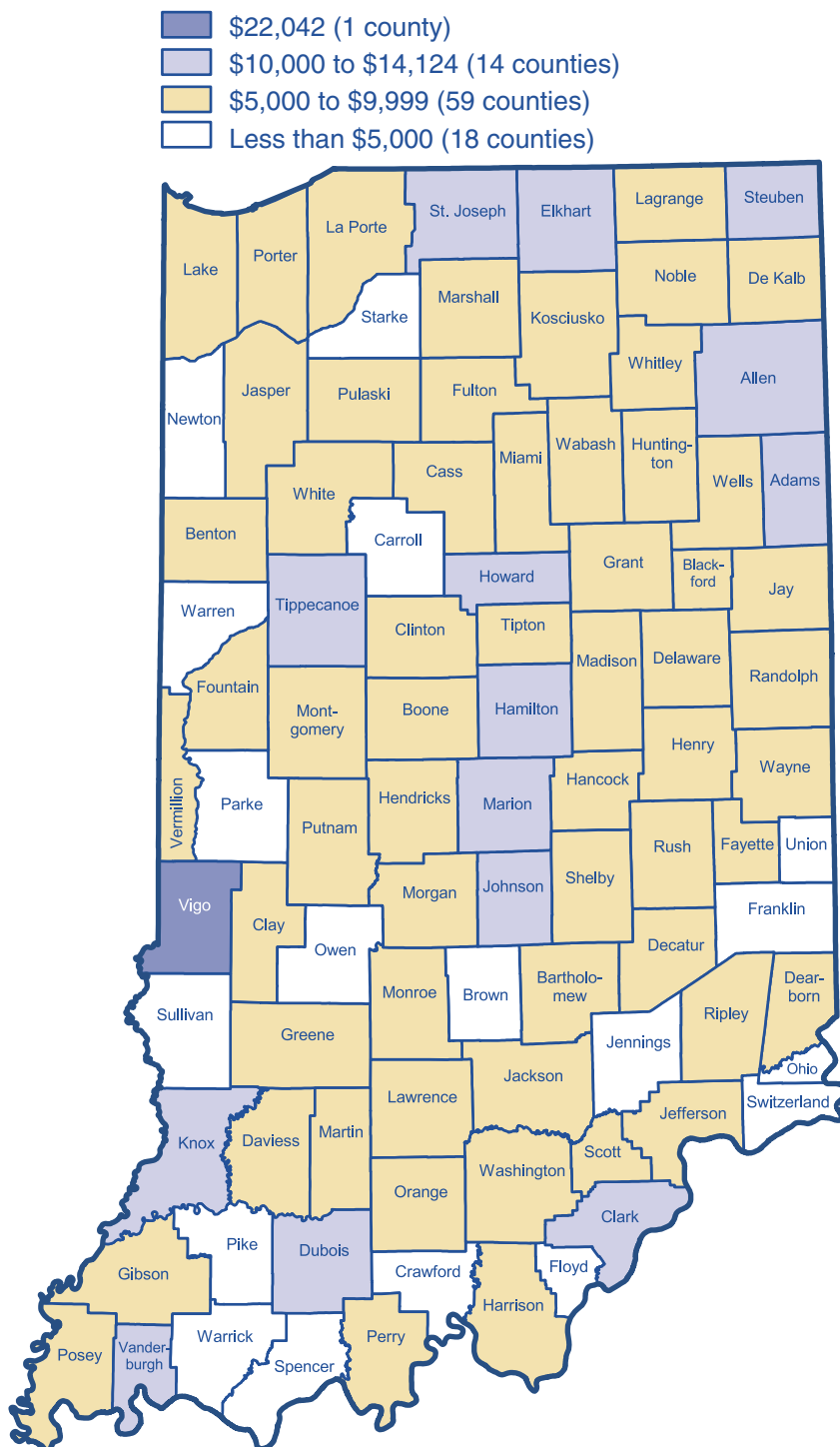Source: U.S. Bureau of the Census, 1997 Economic Census of Retail Trade

Vigo County, with its estimated population of 105,313 (about one-eighth the size of Marion County), ranking No. 5 in sales and No. 1 in retail sales per capita (see Table 3). Why is this? Does Terre Haute offer a broader selection of goods than those offered at the malls and discount centers in Indianapolis? Investigation among other sources (because the census cannot, by penalty of law, divulge specific company information) finds that Vigo County is home to a retailer that provides goods many Americans want — music and videos. That retailer is Columbia House, one of the nation's largest direct-sales mail-order music publishing concerns.

Conclusion

Once the gift wrap had hit the waste bin, we were not thinking of buying but rather of paying. Consumer debt as a percent of disposable income was at 13.70 in the second quarter of 2000, compared to 13.39 in the second quarter of 1999, according to the Federal Reserve Board. Even with the traditional January white sales to tempt us back to the stores, sales typically return to a more usual monthly average. But our main point here was to illustrate the depth that can be obtained from the 1997 Economic Census, a depth that offsets the datedness of the material.

Figure 3: Retail Sales per Capita

Direct-mail-order houses in Vigo County spur high sales per capita

- $22,042 (1 county)
- $10,000 to $14,124 (14 counties)
- $5,000 to $9,999 (59 counties)
- Less than $5,000 (18 counties)

Source: U.S. Bureau of the Census, 1997 Economic Census of Retail Trade