

BDO HIGH STREET SALES TRACKER

September marks no in-store growth above 1% for 12 months

SEPTEMBER MONTHLY REVIEW
THE FIVE WEEKS TO 30 SEPTEMBER 2018



STORE

-2.7%

SEPTEMBER 2017: +2.9%



NON-STORE

+11.6%

SEPTEMBER 2017: +30.4%



TOTAL

+0.3%

SEPTEMBER 2017: +6.6%

- ▶ Total like-for-like (LFL) sales were flat at +0.3% in September, but from a strong base of +6.6% seen for the same month last year. Total in-store LFLs were down by -2.7% this month, falling from a solid base of +2.9% for September last year, which was itself bouncing from a -2.8% drop in 2016. The result marked the eighth negative month for in-store sales in a row and the twelfth month since in-store sales growth exceeded 1%. Total non-store LFLs were up by +11.6% this month, the third lowest increase so far this year and the lowest September non-store increase since the High Street Sales Tracker (HSST) records began for that channel in 2010. However, the modest growth was up from a very strong base of +30.4% seen for September 2017, which at the time was the highest result for September since 2012.
- ▶ September began and ended with total sales performing well. Week one saw total LFLs hit +4.22% from a base of +2.77% for the equivalent week last year. The final week of September saw total LFL sales increase by +3.31%. However, the middle of September saw overall sales performance decline, but from very strong bases seen last year. Week three, for example, declined by -2.73%, but from a very strong base of +13.35% for the equivalent week a year earlier when a strong store and non-store sales performance significantly boosted overall performance.
- ▶ Overall footfall was dismal in September, declining in the first four weeks of the month. The trend was also reflected on the high street where footfall dropped by -4.7% in week four. Retail parks fared marginally better, but still only saw footfall increase in the last two weeks of the month. However, footfall at shopping centres was down in every week of September, with a low of -4.8% in week three.
- ▶ The flat overall sales result in September and the poor performance in-store places incredible pressure on retailers to perform in the last quarter of 2018, particularly during the Christmas run. However, several serious inhibitors to growth remain. According to the Office of National Statistics (ONS), Consumer Prices Index inflation rose at its fastest rate in six months to 2.7% in August, as increases in the price of petrol and package holidays skewed it north. Consumer sentiment has seen recent declines amid the ongoing saga of Brexit. Consumers remain cautious and their finances squeezed. Next month may prove to be a bellwether for year-end fortunes as October last year was negative overall (-1.1%).



LIFESTYLE

+1.3%

SEPTEMBER 2017: +5.2%



FASHION

+0.7%

SEPTEMBER 2017: +8.4%



HOMEWARES

-5.2%

SEPTEMBER 2017: +5.4%

- ▶ Lifestyle total LFLs were up by +1.3% in September from an already strong base of +5.2% for the equivalent week last year. Overall sales for lifestyle were up in every week of the month with the exception of week three when they declined by -1.97%. However, lifestyle had more of a bumpy month in-store, down by -2.1% in September, but from a strong base of +3.6% for the same month last year. Despite the strong base last year, the in-store decline was still the deepest seen for lifestyle in the month of September since 2011.
- ▶ Fashion total LFLs were marginally up by +0.7% in September, building on a very solid base of +8.4% for the equivalent month last year. Overall sales for fashion were up strongly in the first and last weeks of the month, but saw declines of approximately 1% or 2% in the middle of September. Fashion saw the strongest non-store performance of the three sectors this month. However, September predominantly experienced fairly warm weather and in-store sales plummeted by -2.8%. The drop wiped out in-store growth of +2.7% a year earlier as some retailers were forced to discount new autumn lines.
- ▶ Homeware total LFLs were down by -5.2% this month, almost eradicating growth of +5.4% seen in September last year. Total LFLs for homeware were up in week one (+0.26%), but declined in each week that followed, with a low of -10.06% hitting in week two. In-store sales dropped by -4.4% for homeware in September, falling off of a base of +0.8% seen in the same month a year earlier. Whereas fashion and lifestyle made up ground via non-store sales, homeware continued to struggle online this month.

As of September 2018, lifestyle, fashion and homewares figures represent combined in-store and non-store totals for that category.

FOR MORE INFORMATION

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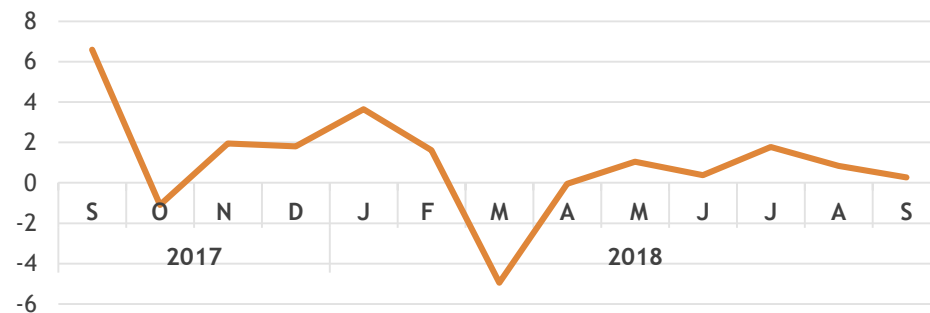
The High Street Sales Tracker outlines weekly like-for-like sales changes of some c85 retailers with c10,000 individual stores across Fashion: accessories, clothing, footwear. Lifestyle: general household goods, gifts, health and beauty, leisure goods. Homewares: cookware, furniture and floor coverings, lighting, linen and textiles. Non-store: mail order, online and other non-store channels. Total like-for-likes exclude non-store sales. Any footfall figures quoted are provided by Springboard who are a leading provider of automated visitor counting and retail sales analysis.

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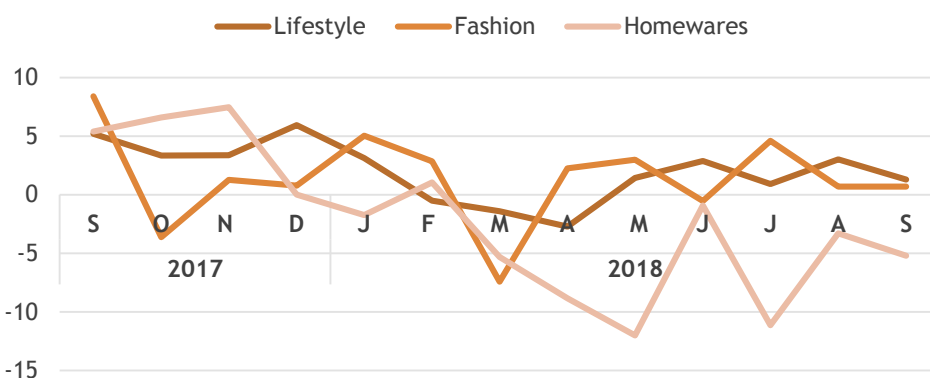
TOTAL LIKE-FOR-LIKE RESULTS FROM 2017-2018

LFL Growth %	Week 1 (we 02/09)	Week 2 (we 09/09)	Week 3 (we 16/09)	Week 4 (we 23/09)	Week 5 (we 30/09)	Total September
Lifestyle	3.41	0.02	-1.97	0.79	4.32	1.3
Fashion	5.24	-1.15	-2.67	-2.22	4.42	0.7
Homeware	0.26	-10.06	-5.57	-4.91	-5.84	-5.2
STORE	1.99	-3.81	-7.03	-5.05	0.59	-2.7
NON-STORE	12.99	5.07	16.37	7.70	15.76	11.6
TOTAL	4.22	-1.64	-2.73	-1.61	3.31	0.3

MONTHLY LIKE-FOR-LIKE RESULTS 2017-2018



MONTHLY LIKE-FOR-LIKE RESULTS BY SECTOR 2017-2018



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