

BDO HIGH STREET SALES TRACKER

Negative December Caps Worst Year on Record for In-Store Sales

DECEMBER MONTHLY REVIEW
THE FIVE WEEKS TO 30 DECEMBER 2018



STORE

-1.9%

DECEMBER 2017: -2.3%



NON-STORE

+11.9%

DECEMBER 2017: +21.4%



TOTAL

+1.0%

DECEMBER 2017: +1.8%

- ▶ Total like-for-like (LFL) sales saw an increase of +1.0% in December from a positive base of +1.8% for the equivalent month last year. Total in-store LFLs decreased by -1.9% this month from an already negative base of -2.3% for December last year. The result marks the sixth consecutive negative December for total in-store LFLs. It also marks the worst year on record for total in-store LFLs with eleven months of negative results. Total non-store LFLs were up by +11.9% in December from a strong base of +21.4% last year. Non-store sales recorded good results at the beginning of the month and in the final week before Christmas as shoppers opted to do their last-minute purchasing online.
- ▶ December began with total LFLs growing by +1.75% from an already good base of +4.34% for the same week last year. Total LFLs fell in week two recording a decline of -2.38% from an already negative base of -1.97%. Week three saw slight growth (+0.61%) from a marginal base of +0.69% in 2017. In the last full week before Christmas, total LFLs declined by -2.21% on the back of poor in-store performance, but from a strong base of +9.82% last year. As discounting kicked off in the last week of the month, total LFLs increased by +7.85%, but from a negative base of -1.86%.
- ▶ Overall footfall was down in all weeks except the last in December with the worst result (-5.3%) coming in the first week of the month. The high street mirrored the overall trend with negative footfall through most of the month, but experiencing an increase (+2.8%) in the final week which included Boxing Day. Retail parks also experienced negative footfall in most weeks with the sharpest drop coming in week one (-3.8%). However, contrary to high streets and the overall figures retail parks saw growth during week two (+1.8%). Shopping centres suffered the most notable decline this month recording a fall of -6.1% in the first week of the month and negative footfall in every week.
- ▶ The news of further high-profile administrations will have retailers on edge after a not-so-merry end to the final quarter. Though wages showed strong growth over the course of 2018 and inflation slowed into December, consumers continued to be cautious in the lead-up to Christmas. Consumer spending habits, shifting more notably into the week after Christmas, may suggest a rigid determination to wait for the most substantial discounts, thus threatening retailers' bottom-line. However, with reports suggesting widespread concern over personal finances and the general economic outlook retailers will likely be hoping for meaningful intervention to avoid a similarly grim outcome in 2019.



LIFESTYLE

-2.5%

DECEMBER 2017: +5.9%



FASHION

+2.0%

DECEMBER 2017: +0.8%



HOMEWARES

+6.9%

DECEMBER 2017: 0.0%

- ▶ Lifestyle total LFLs were down by -2.5% this month, but from a good base of +5.9% for December last year. Total lifestyle LFLs were poor in the first four weeks of the month recording a low of -9.20% in the last full week before Christmas, but saw excellent growth in the final week (+16.57) as discounting got underway. In-store LFLs for lifestyle were down by -3.9% in December, but from a marginally positive base of +0.3% last year. The result marks the third worst LFL for in-store lifestyle in 2018 and the worst result for December since the HSST began recording.
- ▶ Fashion total LFLs increased by +2.0% in December from a positive base of +0.8% for the same month last year. Total LFLs for fashion performed well this month with positive growth in four out of five weeks and a high of +3.16% in the first week of the month. Only week two saw fashion total LFLs record a decline (-0.59%). In-store LFLs for fashion did not fare as well, experiencing a decline of -2.0% this month from an already poor base of -3.8% in December last year. The result marks the sixth consecutive December with negative in-store LFLs for fashion.
- ▶ Homeware total LFLs saw good growth of +6.9% this month from a flat base of 0.0% for December last year. Total LFLs for homeware posted strong results in the first (+11.15) and final (+15.23) weeks of the month and recorded positive results in every week. In-store LFLs for homeware saw a substantial increase of +9.3% this month from an already positive base of +2.5% last year. The result marks the best monthly in-store LFL for homeware this year and the best December result since 2015.

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

FOR MORE INFORMATION

e: HighStreetSalesTracker@bdo.co.uk

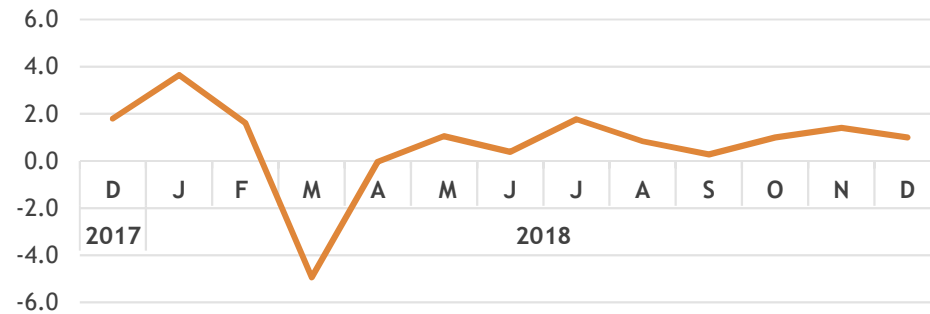
The High Street Sales Tracker outlines weekly like-for-like sales changes of some c85 retailers with c10,000 individual stores across Fashion: accessories, clothing, footwear. Lifestyle: general household goods, gifts, health and beauty, leisure goods. Homewares: cookware, furniture and floor coverings, 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.

www.bdo.co.uk

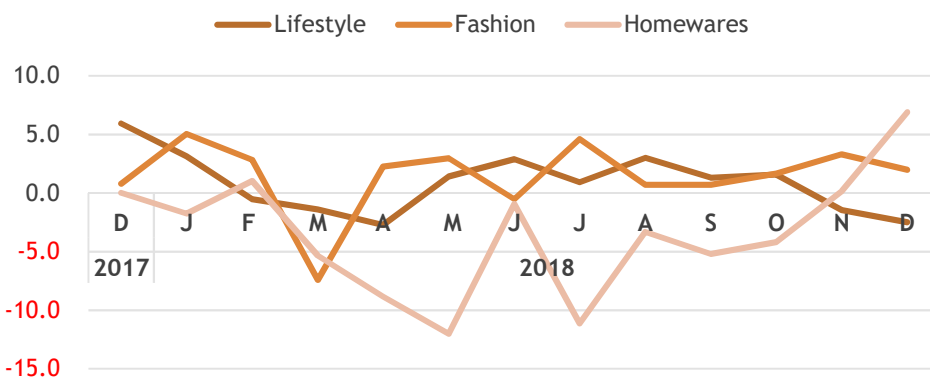
TOTAL LIKE-FOR-LIKE RESULTS FROM 2017-2018

LFL Growth %	Week 1 (we 02/12)	Week 2 (we 09/12)	Week 3 (we 16/12)	Week 4 (we 23/12)	Week 5 (we 30/12)	Total December
Lifestyle	-3.52	-8.01	-6.27	-9.20	16.57	-2.5
Fashion	3.16	-0.59	2.96	1.06	3.10	2.0
Homeware	11.15	3.14	6.12	0.27	15.23	6.9
STORE	-4.37	-5.10	-1.37	-4.86	7.02	-1.9
NON-STORE	20.08	10.27	5.82	17.16	5.73	11.9
TOTAL	1.75	-2.38	0.61	-2.21	7.85	1.0

MONTHLY LIKE-FOR-LIKE RESULTS 2017-2018



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



This publication has been carefully prepared, but it has been written in general terms and should be seen as containing broad statements only. This publication should not be used or relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained in this publication without obtaining specific professional advice. Please contact BDO LLP to discuss these matters in the context of your particular circumstances. BDO LLP, its partners, employees and agents do not accept or assume any responsibility or duty of care in respect of any use of or reliance on this publication, and will deny any liability for any loss arising from any action taken or not taken or decision made by anyone in reliance on this publication or any part of it. Any use of this publication or reliance on it for any purpose or in any context is therefore at your own risk, without any right of recourse against BDO LLP or any of its partners, employees or agents.

BDO LLP, a UK limited liability partnership registered in England and Wales under number OC305127, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. A list of members' names is open to inspection at our registered office, 55 Baker Street, London W1U 7EU. BDO LLP is authorised and regulated by the Financial Conduct Authority to conduct investment business.

BDO is the brand name of the BDO network and for each of the BDO member firms.

BDO Northern Ireland, a partnership formed in and under the laws of Northern Ireland, is licensed to operate within the international BDO network of independent member firms.

Copyright © September 2018 BDO LLP. All rights reserved. Published in the UK.