BDO HIGH STREET SALES TRACKER

JANUARY MONTHLY REVIEW - the four weeks to 28 January 2018

09 February 2018

TOTAL (excl non-store)

+0.6%

January 2017: -0.1%

Glacial growth on the high street in January

- Total like-for-like sales were up by +0.6% in January from a negative base of -0.1% for the same month last year.
- Excluding the drop into the negative in January 2017, the growth this month for the traditional sales season was still the lowest seen in January since 2013.
- Total in-store sales began well this month, up by +1.47% in week one. In week two, with discounting in full swing, sales rose by +4.77%. However, that good result was coming off of a negative equivalent week in 2017 (-4.46%), when snow settled across the UK. Week three saw wintry weather move in, particularly in the north of the country, and sales fell by -2.7%. As discounting was dialled down, poor weather conditions continued to impact sales in the last week of the month, which ended down by -1.33%.
- Lifestyle and homeware were joint star performers in January, with fashion also in positive territory. However, LFL growth for all three sector indexes was below 1%.
- Overall footfall was down in every week of January, so retailers did well to attract what custom there was and convert it into sales. Footfall was down furthest in week one (-6.0%). However, New Year's Day fell on a Sunday last year and was followed by a bank holiday on the Monday. This year New Year's Day itself fell on the Monday and consumers were slow to hit the shops. Footfall on the high street was also down in each week of the month. However, the high street was most heavily impacted by the weather, down furthest in week three (-5.2%) when wintery conditions persisted. Footfall at shopping centres was also down in each week, starting January with a month-low of -9.2%. Footfall at retail parks fared somewhat better, up in weeks two and four by +0.7% and +0.2% respectively.
- The Consumer Price Index (CPI) inflationary rate fell by 0.1% in December, and the UK economy expanded by 0.1% more than forecast in the last three months of 2017. The employment rate also continues to run at record levels and some recent sentiment surveys have suggested a slight thaw in consumer sentiment. However, the reality is that these factors currently remain too little to offset wage growth that is still falling behind inflation and provide a much needed boost in sales. Retailers will take the positive growth this month, but it is a tepid start to the year. 2018 has already highlighted a number of casualties as rising costs and higher wages take their toll. The pressure that retailers are subject to is unlikely to ease in the short term. In the months ahead, the ability to maintain investment levels in product and customer experience are likely to remain key differentiators.

LIFESTYLE

+0.8%

January 2017: +1.2%

- Lifestyle LFLs were up by +0.8% in January from a base of +1.2% for the same month last year. The result marked its third positive in-store month in a row. Lifestyle sales performed well in the first half of January. Despite falling footfall, sales were up by +2.74% in week one and by +3.49% in week two. However, as the poor weather moved in, sales fell into the negative, with the last two weeks of January down by -1.20% and -1.88% respectively.

FASHION

+0.5%

January 2017: -1.0%

- Fashion LFLs were up by +0.5% this month, but from a negative base of -1.0% for January last year. The result was the first positive in-store month for fashion since September 2017. In-store sales were positive for the first two weeks of January, with the month-high of +5.05% coming in week two. As some retailers began to wind back their sales promotions, and wintry weather took hold of parts of the UK, the second half of the month saw in-store sales falter, as week three brought a month-low of -2.54%.

HOMEWARES

+0.8%

January 2017: +2.9%

- Homeware LFLs were up by +0.8% in January, but from a solid base of +2.9% for the equivalent month last year. The result was the third positive in-store month for homeware in a row. Yet the month began with homeware as the only sector index to fall into the negative (-3.37%). The month low came in week three as the poor weather and footfall dragged sales down by -8.43%. However, a strong performance in week two (+7.78%) and week four (+4.00%) boosted the overall result for the month.

NON-STORE

+17.4%

January 2017: +26.6%

- Non-store LFLs were up by +17.4% in January from a strong base of +26.6% for the same month last year. The growth was the lowest month seen for non-store since April 2017, primarily because muted homeware non-store sales held back overall performance. It was also the only January on record to post non-store growth of below +20% since the BDO High Street Sales Tracker began tracking non-store sales in 2010. Results remained below +20% in each week of the month, with a high of +18.47% coming in week four. Fashion was the only sector index to achieve non-store growth of +20% this month, up by +20.1% in January.

The High Street Sales Tracker outlines weekly like-for-like sales changes of c85 mid-tier 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 floorcoverings, lighting, linen and textiles. **Non-store:** mail order, online and other non-store channels.

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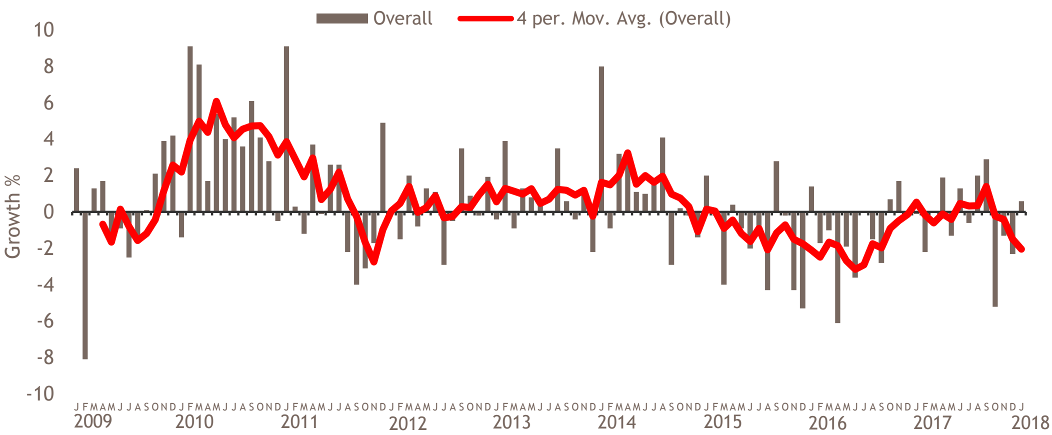
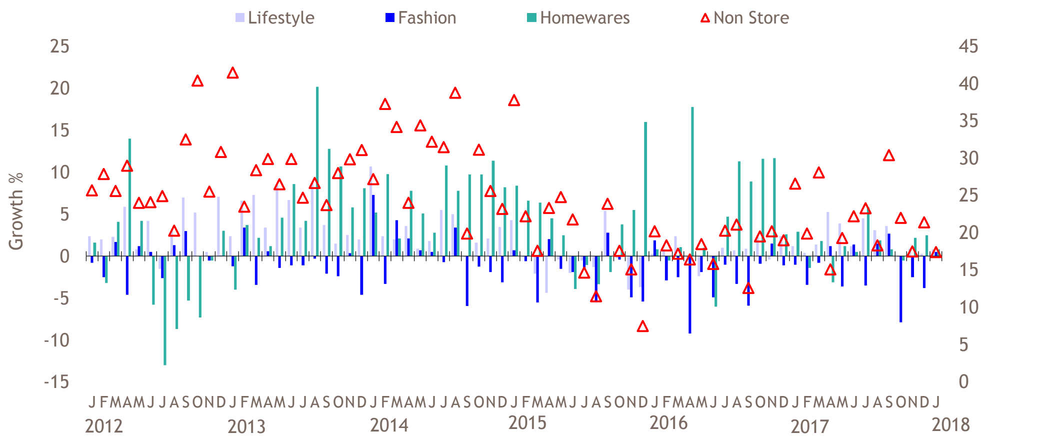
MONTHLY LIKE-FOR-LIKE RESULTS 2018

LFL Growth %	Week 1 (we 07/01)	Week 2 (we 14/01)	Week 3 (we 21/01)	Week 4 (we 28/01)	Total January
Lifestyle	2.74	3.49	-1.20	-1.88	0.8
Fashion	1.28	5.05	-2.54	-1.67	0.5
Homewares	-3.37	7.78	-8.43	4.00	0.8
Non-store	18.02	14.82	18.18	18.47	17.4
Total (excl non-store)	**1.47**	**4.77**	**-2.47**	**-1.33**	**0.6**

MONTHLY LIKE-FOR-LIKE RESULTS 2009-2018



MONTHLY LIKE-FOR-LIKE RESULTS BY SECTOR 2012-2018



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