BDO HIGH STREET SALES TRACKER

OCTOBER MONTHLY REVIEW - the five weeks to 29 October 2017 10 November 2017

TOTAL (excl non-store)

-5.2%

October 2016: +0.7%

Sales spooked in most horrific October on record

- Total like-for-like sales crashed to -5.2% in October from a base of +0.7% for the same month last year.
- The result was the worst month seen since April 2016 (-6.1%) and the worst October on record for the High Street Sales Tracker. A fall in spending, a drop in consumer confidence and unseasonably warm weather combined to hit sales hard this month.
- Total LFLs were down in each week of October, with the month low of -6.55% coming in week four. October began down by -5.20%, which at the time was the lowest result seen since mid-February. In week two, despite a significant annual increase in the number of Chinese tourists coming to London for "Golden Week", sales stubbornly remained in negative territory (-3.43%). In week three sales fell by -5.89% as warm weather continued to hurt sales of seasonal fashion lines. In week four, sales were down by -6.55%, the worst weekly result of the year-to-date. This may have partly been caused by heavier discounting reported in the equivalent week last year. As October ended, the last full week prior to Halloween provided little cheer, as LFL sales fell by -5.05% from an already negative base of -2.70% for the equivalent week the year before.
- While lifestyle and homeware fell marginally, fashion LFLs hit the deck in October as the general spending slowdown and warm weather hurt sales.
- Overall footfall was down in each week of October, with the month low of -2.9% coming in week four, as compared to the same week the year before. Footfall on the high street also saw no growth in every week of the month, the low of -3.5% also coming in week four. Footfall at retail parks ended the month with an increase of +0.4%, as compared to the same week last year. However each preceding week in the month saw a decline in footfall, with a low of -2.2% in week three. Shopping centres also experienced a decline in footfall in every week of October, down by as much as -3.3% in week four.
- Consumers resisted spending in October following the rise of the Consumer Price Index (CPI) to 3% in September. Recent confidence barometers have also suggested a creeping decline in economic and spending confidence amongst consumers. As wage increases continue to be outstripped by higher inflation, and with the (now real) anticipation of higher mortgage payments, then it comes as little surprise that people are tightening their belts prior to the anticipated Christmas expenditure.
- Yet retailers are not alone. Leisure spending in general is under significant strain, with restaurant, pub and bar groups also feeling the pinch in recent weeks. With such a poor start to the fourth quarter in October, retailers will be looking to ensure that as much ground as possible is made up in the next two critical months, which of course incorporate Black Friday and Christmas trading. Early surveys suggest that consumers will be prepared to spend when the time comes, but October has borne the brunt of the current consumer resistance to significant expenditure at this juncture.

LIFESTYLE

-0.1%

October 2016: +2.3%

- Lifestyle LFLs were down by only -0.1% in October, a flat result from a positive base of +2.3% for the same month last year. However, this was the first negative month for lifestyle since November 2016. Despite posting negative LFLs in three weeks of the month, lifestyle appeared to be the only sector to really benefit from “Golden Week”, achieving a month high of +3.09% in week two.

FASHION

-7.9%

October 2016: -0.9%

- Fashion LFLs were down by a significant -7.9% in October, from a base of -0.9% for the same month last year. This was the worst monthly result for fashion since April 2016 (-9.2%), and its worst October on record for the High Street Sales Tracker. In a month where many retailers extended their mid-season and other discounting initiatives, sales were down in every week of October. LFL sales hit a month low of -9.39% in week four, which was the worst weekly result for fashion since August 2016.

HOMEWARES

-0.5%

October 2016: +11.6%

- Homeware LFLs were down by -0.5% this month, but from a strong base of +11.6% for October last year. The result marked the first negative month for homeware since April, and only its third negative month in the year-to-date. Homeware recorded LFL growth in week’s one and four, but was down in every other week of the month.

NON-STORE

+22.0%

October 2016: +19.5%

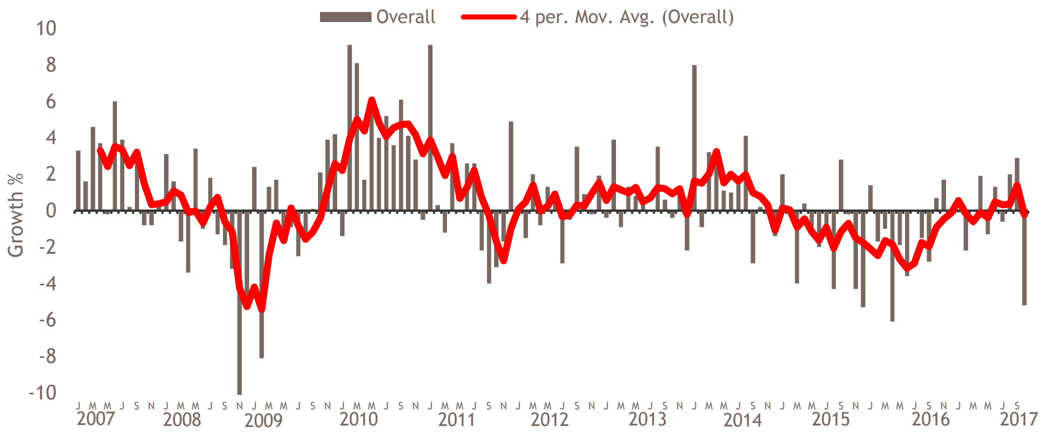
- Non-store LFLs were the only partial success story in October, up by +22.0% from a base of +19.5% in October last year and reflecting the increasing trend towards online spending. However, even then it is only the sixth highest monthly result for non-store so far this year. Sporadic spending saw a month high of +33.86% in week three, and a month low of just +8.19% in week four.

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.

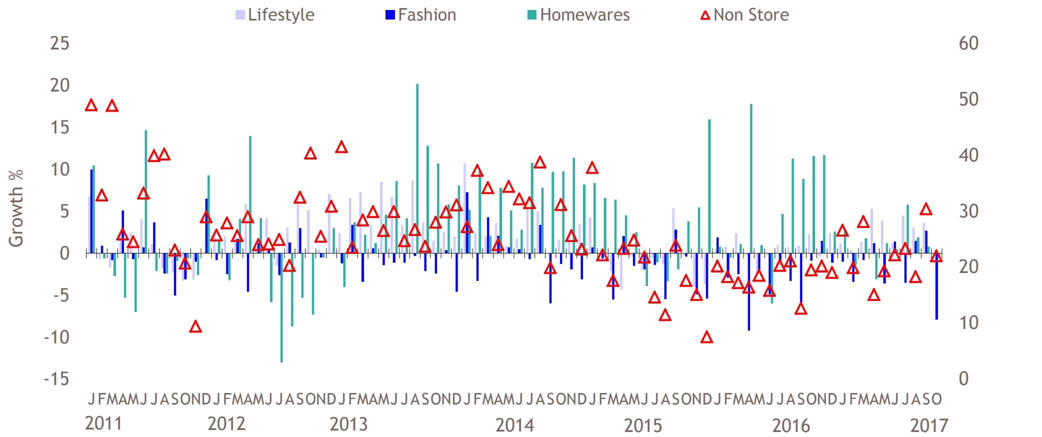
MONTHLY LIKE-FOR-LIKE RESULTS 2017

LFL Growth %	Week 1 (we 01/10)	Week 2 (we 08/10)	Week 3 (we 15/10)	Week 4 (we 22/10)	Week 5 (we 29/10)	Total October
Lifestyle	-1.77	3.09	0.70	-1.68	-0.84	-0.1
Fashion	-7.88	-6.05	-8.78	-9.39	-7.11	-7.9
Homewares	5.43	-4.45	-5.03	3.93	-2.78	-0.5
Non-store	15.50	19.84	33.86	8.19	26.21	22.0
Total (excl non-store)	**-5.20**	**-3.43**	**-5.89**	**-6.55**	**-5.05**	**-5.2**

MONTHLY LIKE-FOR-LIKE RESULTS 2007-2017



MONTHLY LIKE-FOR-LIKE RESULTS BY SECTOR 2011-2017



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