BDO HIGH STREET SALES TRACKER

JULY MONTHLY REVIEW - the four weeks to 26 July 2015

6 August 2015

Retailers struggling as summer downturn continues

TOTAL (excl non-store)

-1.1%

August 2014: +1.7%

- July's High Street Sales Tracker saw an overall decline in like-for-likes to -1.1%; another disappointing month for retailers and marks the first time since 2009 that the three months of May, June and July registered consecutive negative results.
- Consumers remain cautious with regard to spending: the political landscape is still cooling after the election, and speculation over interest rate rises continues to create uncertainty. Consumers are indulging in more selected spending, and the restaurant and bars sector is continuing to win in the battle for the consumer's pound.
- The political and economic uncertainty has also hit retailers: many reduced or delayed discounting to try to be strategic with their timing. Many are now launching late summer sales although, with the lower levels of footfall on the high street, are unable to entice a favourable number of shoppers into stores. One of the few areas to enjoy elevated footfall was Greater London (anecdotally due to increased tourist trade), and this is reflected by particularly positive fortunes for department store retailers in July in this area.
- Footfall was down in most other areas during the month, with comparables compared to strong figures in July 2014 when retailers reported a stronger than average July representing the fifth consecutive month in a row of positive monthly like-for-likes.

LIFESTYLE

-0.5%

August 2014: +5.5%

- Lifestyle saw a slight decline in sales of -0.5%, with small ticket gifting stores performing particularly well. The worst performing stores within the lifestyle sector were outdoor goods stores: whilst some have reported attrition from in-store sales to online, the results are a disappointment when high profile sports events such as Ride London 100 attracted significant media attention.

FASHION

-1.4%

August 2014: -0.7%

- Fashion retailers had a particularly disappointing month, with like-for-like sales declining by -1.4% compared to July 2014. Fashion retailers have been hit most by the continuing economic uncertainty, with discounting far more disjointed than in July 2014 – some launched their summer sales earlier than normal and were hit by slumps in confidence from economic headwinds from the Eurozone, whilst those that chose to delay until August have suffered to date from declining footfall as shoppers headed abroad for their summer holidays.

HOMEWARES

-1.1%

August 2014: +10.8%

- Homewares slumped by -1.1% in July, a disappointing performance although it should be noted that the figures were based from a particularly strong month for the sector last year. Soft furnishings performed well this month, although home improvement products was less positive this month.

NON-STORE

+14.6%

August 2014: +31.5%

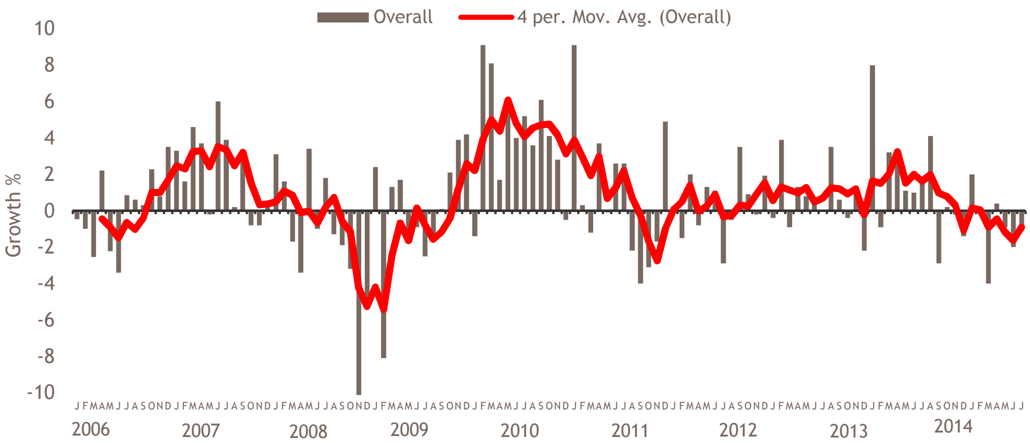
- Non-store sales are continuing to mature, and a monthly increase in like-for-likes of +14.6% is the lowest rise for the channel since tracking began by the High Street Sales Tracker. Specialist fashion retailers generally had the poorest month from non-store sales, whilst homewares performed particularly well.

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 & beauty, leisure goods. **Homewares:** cookware, furniture & floorcoverings, lighting, linen & textiles. **Non-store:** mail order, online & other non-store channels.

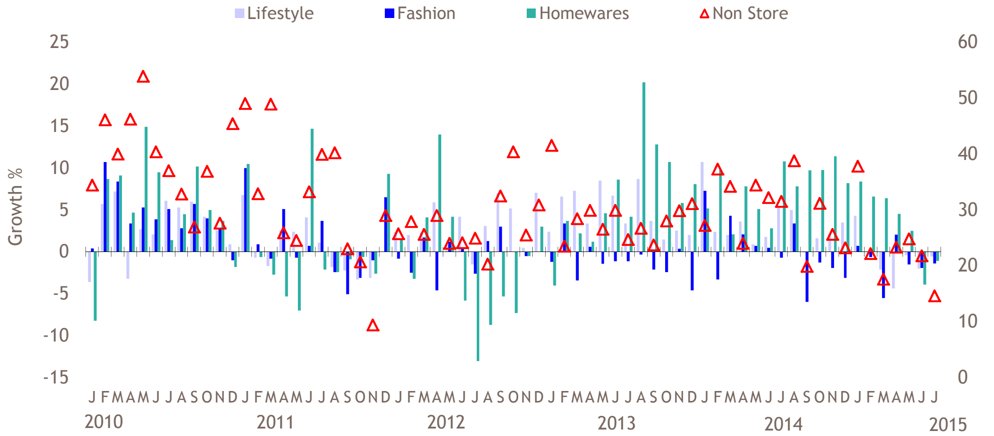
MONTHLY LIKE-FOR-LIKE RESULTS JULY 2015

LFL Growth %	Week 1 (we 05/07)	Week 2 (we 12/07)	Week 3 (we 19/07)	Week 4 (we 26/07)	Total July
Lifestyle	-2.00	-3.23	-0.67	4.41	-0.5
Fashion	-0.85	0.95	-1.74	-3.96	-1.4
Homewares	-3.70	-8.35	-1.45	6.07	-1.1
Non-store	10.81	16.16	20.68	10.70	14.6
Total (excl non-store)	**-1.31**	**-0.67**	**-1.41**	**-1.06**	**-1.1**

MONTHLY LIKE-FOR-LIKE RESULTS 2006-2015



MONTHLY LIKE-FOR-LIKE RESULTS BY SECTOR 2010-2015



Further Information: Rachael Elliott; rachael.elliott@bdo.co.uk, tel: 020 7893 2947