BDO HIGH STREET SALES TRACKER

MARCH MONTHLY REVIEW - the four weeks to 28 March 2016

5 April 2016

Consumers continue to avoid the high street

TOTAL (excl non-store)

-1.0%

March 2015: -4.0%

- March's like-for-like sales fell by one percentage point (-1.0%) compared to the same month last year. After a surge in January, retailers found February to be a somewhat more muted month. Although March started off with a surge in LFL sales, figures faltered as the month progressed leading to the moderate negative decline. However, the month's LFL figure is off of a weak base demonstrating that despite the negative figure, March ended on a more positive note than the same period last year.
- Following a stifled month in February, retailers will not be surprised to see the trend continuing into March. The ongoing slump in fashion sales combined with the jarring movement of LFL sales in lifestyle and online has led to a month of surge and contraction.
- A further point of note is the timing of Mother's Day and Easter this year. Easter fell late in March this year, and some consumers may have been delaying purchases until the extended bank holiday weekend this week when they will have had more disposable time. Meanwhile Mother's Day helped retailers begin the month with strong sales, fuelling LFL growth.
- According to official figures from the Office of National Statistics (released in March 2016), clothing and shoe shop sales fell 3.4% in February, which was the sixth consecutive month of decline, and marked the longest run of falling sales since October 1991. However, there was a cheerier expectation among retailers in March, according to CBI figures, which found that clothing sellers were optimistic about the spring sales. Unfortunately, to date, this optimism has not translated to strong LFL sales for retailers.

LIFESTYLE

+2.4%

March 2015: -2.1%

- Sales of lifestyle goods improved by +2.4% in March continuing its trend of positive LFL sales which started in January 2016. The category started the month with a bang, +13.54 in week 10, due in large part to the early Mother's Day and spring sales. However, LFL sales plummeted to -8.63% the following week. However, despite the drastic reduction, lifestyle retailers ended the month on an upbeat note.

FASHION

-2.5%

March 2015: -5.5%

- Fashion continued to underperform and was the poorest performer of March with LFL sales down -2.5%. After a positive start to the month, LFL figures dropped and stayed negative throughout the month. Despite a slight reprieve in week 12, fashion retailers have not been able to pull themselves out of the doldrums. Seasonal discounting and soft launches have not persuaded consumers to spend and poor footfall tells us that they're not visiting shops either.
- A March 2016 report by Nectar found that households were more likely to spend their spare cash than save it since the same time last year, but this was more likely to benefit restaurants and leisure providers than high street shops. A quarter of respondents planned to rein in spending in the year ahead, with plans to spend less on clothing and accessories.

HOMEWARES

+1.1%

March 2015: +6.4%

- Homewares had the most positive month overall with strong weekly LFL sales in weeks 10, 12 and 13. Despite a sharp decline in week 11 (-7.9%), homewares retailers saw positive LFL figures of +1.1% as consumers took advantage of seasonal discounting and opted to splurge on spring DIY and home improvement.

NON-STORE

+17.2%

March 2015: +17.6%

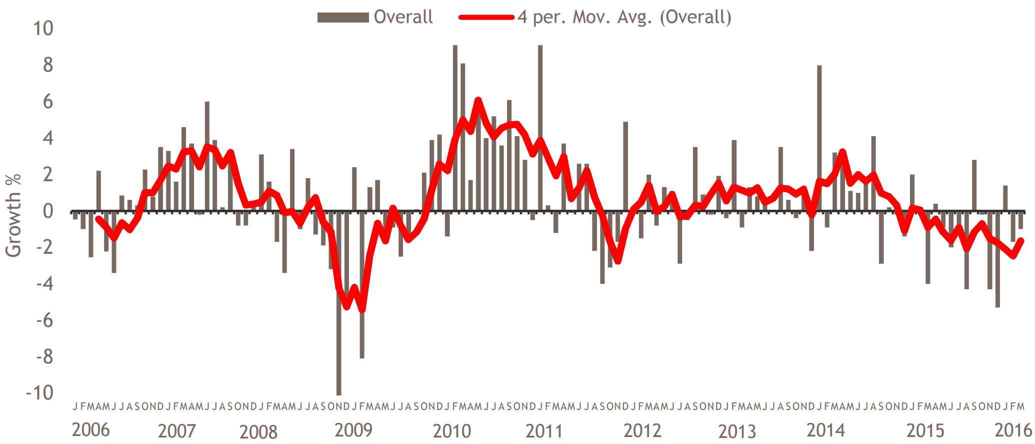
- Remote sales performed well (+17.2%) despite two weeks of weaker than normal LFL sales. Despite reporting positive LFL figures throughout the month, online performance in weeks 11 and 13 were down year-on-year demonstrating the precarious nature of non-store sales.

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.

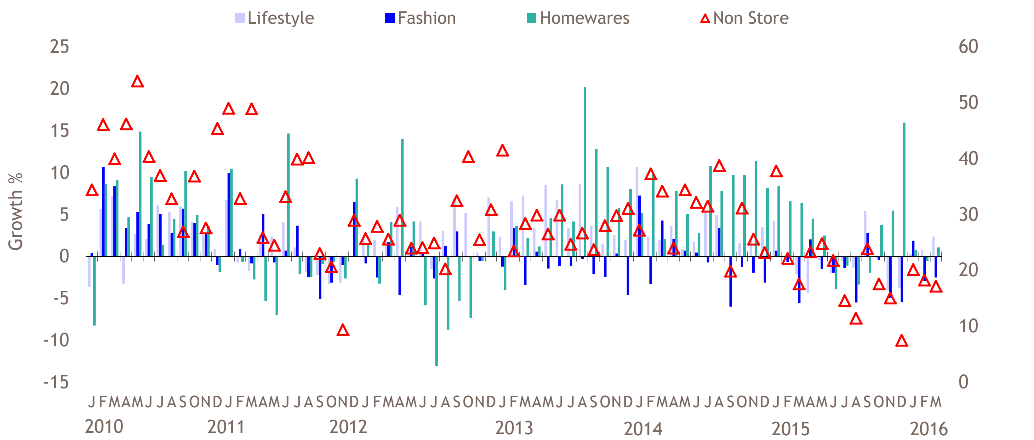
MONTHLY LIKE-FOR-LIKE RESULTS MARCH 2016

LFL Growth %	Week 10 (we 6/3)	Week 11 (we 13/3)	Week 12 (we 20/3)	Week 13 (we 27/3)	Total March
Lifestyle	13.54	-8.63	1.22	4.70	2.4
Fashion	2.68	-7.56	-0.74	-4.82	-2.5
Homewares	4.40	-7.90	2.25	5.75	1.1
Non-store	29.70	9.89	24.27	2.13	17.2
Total (excl non-store)	**5.61**	**-7.87**	**-0.14**	**-1.51**	**-1.0**

MONTHLY LIKE-FOR-LIKE RESULTS 2006-2015



MONTHLY LIKE-FOR-LIKE RESULTS BY SECTOR 2010-2016



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