BDO HIGH STREET SALES TRACKER

JANUARY MONTHLY REVIEW - the five weeks to 31 January 2016

5 February 2016

A month of two halves

TOTAL (excl non-store)

+1.4%

January 2015: +2.0%

- Like-for-likes rose by +1.4% in January 2016 compared to the same month last year. Although this reads as a fairly flat performance, the month was one of two halves with the first two weeks of the month showing consumers coming out in force for bargain hunting.
- After a weak December where like-for-likes slumped to their lowest December since 2008, the figures will provide a degree of comfort to retailers who managed to shift significant stock in the January sales.
- Like-for-likes became flatter in the third week of the month, and the freezing conditions in the fourth week of the month coupled with discounting coming to an end meant shoppers stayed away from the high street resulting in like-for-likes sliding by -3.96% in week 4. Week 5 failed to see any discernible increase in sales with the inclement weather continuing and shoppers failing to see any urgency in purchasing new spring lines.
- Fashion was the strongest performer this month – but also the one with the largest range of weekly like-for-likes: fashion like-for-likes shot up by +6.84% in the second week of the month, and plummeted -4.24% in week 4. Non-store was also boosted by a strong start to the month with the first two weeks seeing like-for-likes grow by over 25% and cooling in the following weeks as promotions came to an end.

LIFESTYLE

+0.3%

January 2015: +4.3%

- After a difficult month in December, lifestyle retailers had a fairly poor January compared to the other sectors with like-for-likes increasing by just +0.3% for the month. The last three weeks of the month saw like-for-likes in negative territory at -1.11%, -4.03% and -0.80% respectively. The sales lift in the first two weeks of the month helped to keep the sector in positive territory, with retailers of outdoor goods reaping the benefits of the bad weather and helping to lift the sector. Small ticket gifting and consumer electronics were the sector’s laggards this month.

FASHION

+1.9%

January 2015: 0.7%

- Fashion had the strongest month in January with like-for-likes rising by +1.9% compared to the same month last year. Unlike last year where there was a notable spike in the first week of the month only, shoppers continued to flock to the high street in the second week of the year as retailers extended discount periods to shift stock which they failed to sell in December. The cold weather in the fourth week of the month meant like-for-likes dipped significantly except in mass fashion which was the only subsector to show any noticeable increase in sales benefitting from increased footfall in retail parks.

HOMEWARES

+0.8%

January 2015: +8.4%

- Homeware retailers reported a fairly flat month, with like-for-likes rising by +0.8%. The sector was the only one to see a dip in sales in the first week of January as consumers flocked to the high street to make smaller purchases. An increase in demand for big ticket furniture and soft furnishings helped to push the sector back into positive territory in the second week of the month.

NON-STORE

+20.2%

January 2015: +37.8%

- Remote sales picked up this month to grow by over a fifth compared to January 2015 (+20.2%) and in contrast to the lowest ever non-store like-for-likes reported on the High Street Sales Tracker in December 2015 (+7.5%). Targeted online sales campaigns in the first two weeks of the month helped to boost non-store like-for-likes by 24.95% and 25.72% respectively although started to flag in the third week of the month despite discounting. Nevertheless, weekly like-for-likes remained above 15% for the entire month.

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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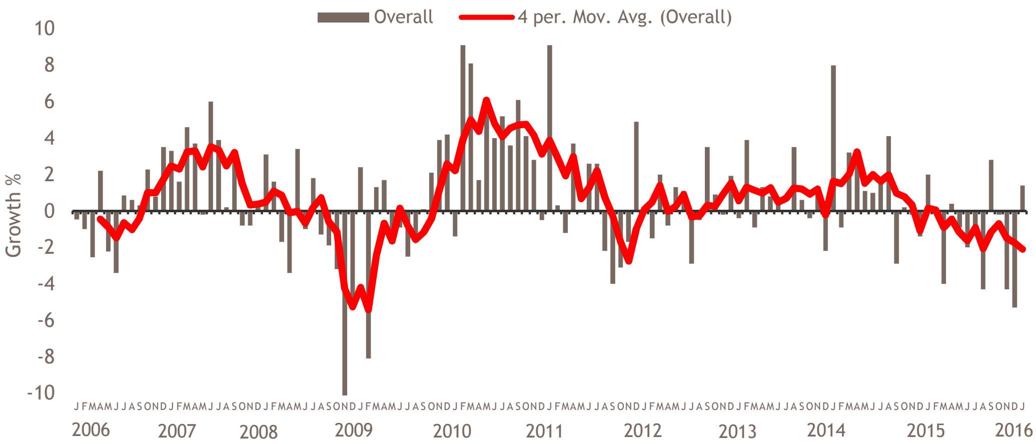
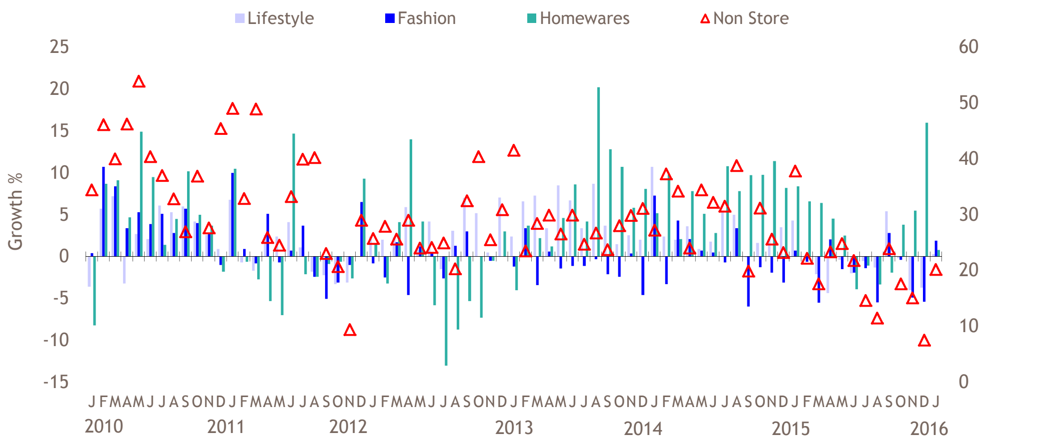
MONTHLY LIKE-FOR-LIKE RESULTS JANUARY 2016

LFL Growth %	Week 1 (we 3/1)	Week 2 (we 10/1)	Week 3 (we 17/1)	Week 4 (we 24/1)	Week 5 (we 31/1)	Total January
Lifestyle	4.87	2.50	-1.11	-4.03	-0.80	0.3
Fashion	5.81	6.84	2.19	-4.24	0.22	1.9
Homewares	-3.95	5.44	-1.10	1.05	2.60	0.8
Non-store	24.95	25.72	15.74	17.42	17.88	20.2
Total (excl non-store)	**5.08**	**5.50**	**1.22**	**-3.96**	**0.09**	**1.4**

MONTHLY LIKE-FOR-LIKE RESULTS 2006-2015



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



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