



BDO HIGH STREET SALES TRACKER

NOVEMBER MONTHLY REVIEW - the four weeks to 26 November 2017

08 December 2017

TOTAL (excl non-store)

-1.3%

November 2016: +1.7%

LIFESTYLE

+0.9%

November 2016: -0.4%

FASHION

-2.5%

November 2016: +1.5%

HOMEWARES

+2.2%

November 2016: +11.7%

NON-STORE

+17.5%

November 2016: +20.2%

Black Friday boom not enough to ignite sales in November

- Total like-for-like sales were down by -1.3% in November, but from a positive base of +1.7% for the same month last year.
- The result was the third worst November on record for the High Street Sales Tracker (HSST), the worst coming amid an economic crisis in November 2008 (-10.6%), followed by November 2015 (-4.3%). While the decline this month was coming off of a positive base last year, the poor November in 2015 signifies that sales are still exhibiting an inherent weakness.
- November initially got off to a positive start with total LFLs up by +0.38% as colder temperatures finally boosted sales of autumn and winter clothing lines. In week two total sales were down by -4.29% as a reluctance to shop and wet weather for Saturday trading dented spending. Warmer weather muted fashion sales in week three and total sales ended down by -2.35%. However in week four, as discounting leading up to Black Friday got into full swing, total sales were up by +1.07%.
- Homeware was the star performer in November, followed by a positive result for lifestyle. However, it was fashion that dragged total sales into the negative this month.
- Overall footfall was up by +0.4% in week one and by +1.4% in week three. However, it was flat in week two (-0.1%) and surprisingly down by -1.1% in week four, which incorporated Black Friday. Footfall on the high street was up in the first three weeks of the month, with a month high of +2.9% in week three that did not translate into positive sales. However, in the week including Black Friday, footfall on the high street was down by -1.3%, as compared to the equivalent week last year. Footfall at retail parks saw the strongest growth, up in every week of November, with a month high of +1.2% in week two. However, footfall at shopping centres was down in every week of the month, with a low of -2.0% in week four that incorporated Black Friday.
- The much needed boost of a strong fourth quarter has yet to materialise for retailers. At the critical moment, consumers have been hit by the cross-winds of rising prices and sluggish wage growth. The Office of National Statistics (ONS) announced in November that The Consumer Prices Index (CPI) 12-month rate was 3.0% in October 2017, unchanged from September 2017. Meanwhile, wage growth remained at 2.2%, resulting in a continued decline in living standards. Meanwhile, Visa has released data projecting that spending on Christmas will be down this year for the first time since 2012.
- In a month where retailers welcomed the Chancellor's plans to tie business rates to CPI from April 2018, such measures will not come soon enough to redeem the fourth quarter this year, unless a very positive December makes up for lost ground. Consumers remain in belt-tightening mode and the genuine boost from discounting events such as Black Friday has not been enough to tip the scale for positive monthly growth in November. Pressure on the sector is likely to lead to casualties in the coming months, as retailers cut back on staff and investment, and as competition for a dwindling disposable income takes its toll.
- Lifestyle LFLs were up by +0.9% in November from a base of -0.4% for the same month last year. Lifestyle LFLs have been positive in ten of the eleven months to-date this year, with October the only negative month so far. Sales were up in three weeks in November, with a high of +3.88% for the week incorporating Black Friday.
- Fashion LFLs were down by -2.5% in November from a base of +1.5% for the same month last year. Fashion LFLs have been negative in seven months of the year-to-date. Wet and warm weather in the middle of the month was compounded by the general spending slowdown. In-store sales found little impetus from week four, as sales ended down by -0.76% as compared to the same week the year before.
- Homeware LFLs were up by +2.2% this month from an already strong base of +11.7% seen in November last year. Homeware LFLs have been positive in eight of the eleven months of the year to-date. Positive footfall growth at retail parks in each week of November, combined with sales up by +6.60% in week four, ensured that homeware was the star performer this month.
- Non-store LFLs were up by +17.5% in November from a base of +20.2% for the same month last year. Despite sales growth of +24.70% in the discount-heavy week four, consumers held back on online purchases at the start of the month. Week one saw a relatively muted non-store sales growth of +15.97%. Week two slowed to growth of just +10.65%, as consumers awaited better deals towards the end of the month.

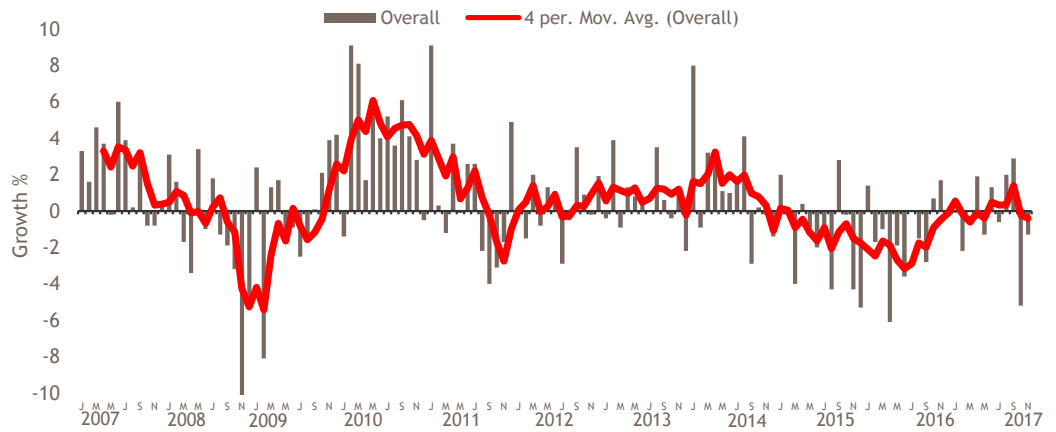
The High Street Sales Tracker outlines weekly like-for-like sales changes of c85 mid-tier retailers with c10,000 individual stores across Fashion: accessories, clothing, footwear. Lifestyle: general household goods, gifts, health and beauty, leisure goods. Homewares: cookware, furniture and floorcoverings, lighting, linen and textiles. Non-store: mail order, online and other non-store channels.



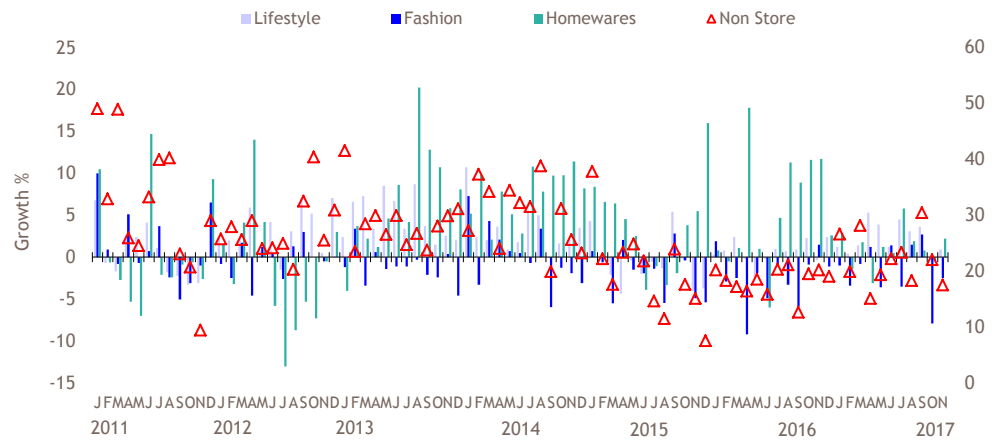
MONTHLY LIKE-FOR-LIKE RESULTS 2017

LFL Growth %	Week 1 (we 05/11)	Week 2 (we 12/11)	Week 3 (we 19/11)	Week 4 (we 26/11)	Total November
Lifestyle	0.43	0.18	-1.30	3.88	0.9
Fashion	0.19	-6.50	-2.71	-0.76	-2.5
Homewares	1.80	3.70	-2.85	6.60	2.2
Non-store	15.97	10.65	18.21	24.70	17.5
Total (excl non-store)	0.38	-4.29	-2.35	1.07	-1.3

MONTHLY LIKE-FOR-LIKE RESULTS 2007-2017



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



Further Information: HighStreetSalesTracker@bdo.co.uk

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