



BDO HIGH STREET SALES TRACKER

DECEMBER MONTHLY REVIEW - the four weeks to 27 December 2015

8 January 2016

TOTAL (excl non-store)

-5.3%

December 2014: -1.4%

LIFESTYLE

-3.7%

December 2014: +3.5%

FASHION

-5.4%

December 2014: -3.1%

HOMEWARES

+16.0%

December 2014: +8.2%

NON-STORE

+7.5%

December 2014: +23.2%

Stores suffer their worst Christmas for seven years

- After a disappointing performance in the preceding two months, the picture only got worse for retailers in December with like-for-likes falling by -5.3%, the worst figure recorded since December 2008.
 - The figures will be a disappointment to retailers who were hoping for a late surge in Christmas spending following a period of repressed spend since August.
 - The mild weather was blamed by fashion retailers for an inability to shift many winter lines, whilst atrocious weather conditions - particularly in the north of the country - hampered many consumers' ability to travel.
 - Although some retailers reported that they had made up for flagging bricks and mortar sales through strong takings online, the lowest figure ever recorded for non-store like-for-likes (+7.5%) shows that this failed to be true for many retailers. The exception was lifestyle which had poor like-for-likes in the first three weeks of the month, but a notably strong performance through remote channels.
 - Consumers continue to be savvier with their shopping choices, and many held out from making purchases until Christmas Day (where retailers reported their best ever takings on this day) when widespread discounting was launched.
 - Early indications in January show a renewed vigour for spending by consumers, and retailers will be hoping this trend continues throughout the month.
- A difficult month for lifestyle retailers in December, with pre-Christmas trading significantly down on the previous year. The first three weeks of the month saw the sector dip into negative territory (-6.4%, -6.8% and -5.7% respectively), with like-for-likes only turning positive in the final week of the month (+4.7%). Small ticket gifting retailers suffered particularly from a drop in footfall in retail locations and, whilst some were able to recover some of the resulting loss in sales from strong online activity, the overwhelming feeling amongst midmarket retailers was the Christmas period had been fairly poor.

- Fashion retailers had the most disappointing performance of all sectors, with like-for-like sales falling by -5.4% off an already weak base in December 2014. All four weeks of the month were in negative territory. Many retailers blamed the mild conditions in December for a poor month, with the warm conditions continuing to delay consumers' plans to update wardrobes. Some retailers reduced their levels of discounting this year in a bid to protect margins after a poor final three months to the year.

- Homewares was the only category to see an improvement this month, with like-for-like sales rising by +16.0%. The sector saw a particular boost in the final week of the month when consumers flocked back to the high street to purchase big ticket furniture items in well-promoted discounting activity. Throughout the rest of the month, soft furnishings held the sector up.

- Many retailers reported that website sales had helped to boost flagging revenues from bricks and mortar stores, but the rise in non-store like-for-likes this month was just +7.5% representing the lowest figure recorded since we began analysing this sales medium. Lifestyle was the strongest performing sector in non-store this month, with a notable shift from physical stores purchases to online.

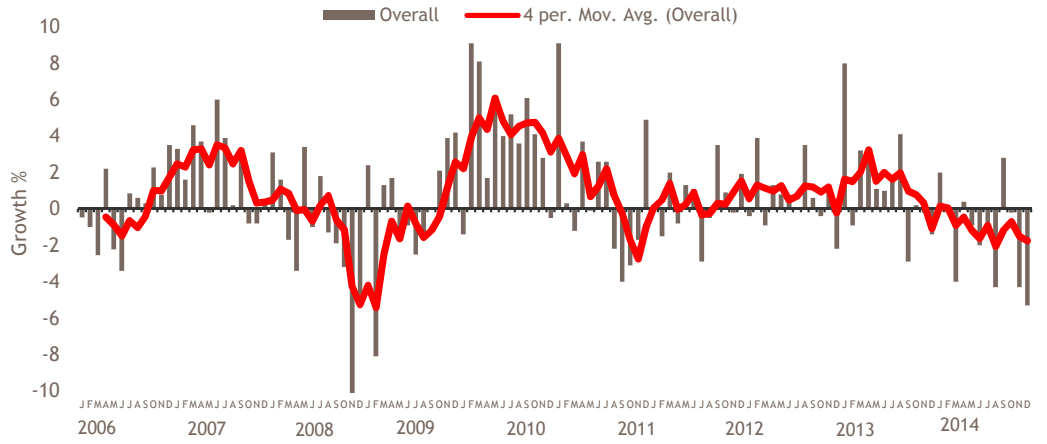
The High Street Sales Tracker outlines weekly like-for-like sales changes of c85 mid-tier retailers with c10,000 individual stores across fashion: accessories, clothing, footwear. Lifestyle: general household goods, gifts, health and beauty, leisure goods. homewares: cookware, furniture and floorcoverings,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

BDO

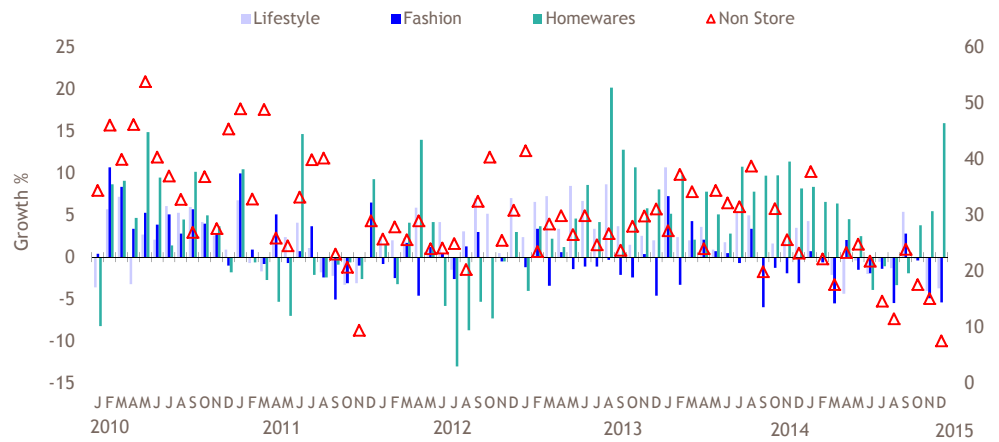
MONTHLY LIKE-FOR-LIKE RESULTS DECEMBER 2015

LFL Growth %	Week 1 (we 6/12_)	Week 2 (we 13/12)	Week 3 (we 20/12)	Week 4 (we 27/12)	Total December
Lifestyle	-6.4	-6.8	-5.7	4.7	-3.7
Fashion	-7.9	-7.7	-6.0	-7.6	-5.4
Homewares	22.8	11.4	27.8	N/A	16.0
Non-store	11.7	-5.2	16.2	20.8	7.5
Total (excl non-store)	-5.7	-6.5	-5.0	-3.0	-5.3

MONTHLY LIKE-FOR-LIKE RESULTS 2006-2015



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



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