



BDO HIGH STREET SALES TRACKER

AUGUST MONTHLY REVIEW - the four weeks to 26 August 2018

07 September 2018

TOTAL (excl non-store)

-2.7%

August 2017: +2.0%

LIFESTYLE

0.0%

August 2017: +3.1%

FASHION

-3.6%

August 2017: +1.5%

HOMEWARES

-6.1%

August 2017: +1.9%

NON-STORE

+13.7%

August 2017: +18.3%

Consumers take a holiday from the high street in August

- Total in-store like-for-like (LFL) sales were down by -2.7% in August from a base of +2.0% for the same month last year.
- The result marked the worst August decline for three years and the second-to-worst August since records began in 2006. It also marked the seventh negative month in a row for in-store LFLs, and the eleventh month in succession where bricks-and-mortar growth had not exceeded 1%.
- Amid the holiday season, total LFL sales were down in-store in every week of August, falling from positive bases in every equivalent week last year. With the heatwave still a factor, week one began with a -3.93% fall in sales as overall footfall declined. Sales fell by -2.95% in week two as the heatwave came to an abrupt end and more mixed weather conditions and rain set in. Cooler and more stable weather in week three did little to improve the situation as footfall continued its stubborn decline and sales ended the week down by -2.84%. The month ended with the onset of the bank holiday weekend and ongoing poor footfall led to a -1.10% decline in sales.
- In-store sales were down in every week of the month as falling footfall, summer holidays and changeable weather conditions took their toll on bricks-and-mortar sales in August. Some retailers may also have experienced residual issues when a well known payment card reportedly ran into difficulties in the last part of the month.
- Overall footfall was down in every week of August, with the month low of -3.1% coming in week four as the bank holiday weekend got underway. Footfall on the high street started the month well, up by +1.3% in week one, but declined in each week thereafter, down by a low of -5.4% in the week ending with the bank holiday weekend. Retail parks experienced mixed fortunes in August, up in weeks two and four with the high of +1.7% coming in week two. Shopping centres continued their poor run, down in each week of August, with a low of -3.4% coming in week one.
- While spending on food and drink, entertainment and summer novelties such as barbecues and paddling pools may have continued to hold up in August, the reality for fashion and homeware retailers has been a distinct decline in footfall and in-store sales throughout the already notoriously quiet holiday season. Increasing food and petrol prices and a modest rise in interest rates have intensified the battle for the consumer's pound. The Consumer Price Index (CPI) measure of UK inflation nudged up to 2.5% in July, after holding steady at 2.4% in the previous three months. Recent reports have also suggested that consumers are increasingly dipping into savings in order to facilitate spending, which may suggest that the months ahead will experience a yet tighter squeeze on disposable income.
- Despite a reported increase in staycation breaks over the bank holiday, any additional spend failed to boost in-store sales this month. Rather, for those able to maintain mini-breaks, staycations and holidays overseas, the incentive to further reign in spending on the high street continued to grow stronger for the already stretched finances of consumers.
- Lifestyle in-store LFLs were flat in August from a positive base of +3.1% for the same week last year. Lifestyle LFLs declined from strong bases last year in the first three weeks of the month, but a very strong +4.88% for in-store sales in week four leading into the bank holiday saw sales hold firm with last year. Despite avoiding a decline this month, lifestyle has not seen in-store growth of over 1% in any month since September 2017.
- Fashion in-store LFLs fell sharply this month, down by -3.6% from a base of +1.5% for the same month last year. The result marked the poorest August for fashion since 2015 and the worst in-store month of the year-to-date with the exception of a snow-hit March. Fashion was down in-store in every week of August and down by more than 3% in three weeks of the month.
- Homeware in-store LFLs were down by -6.1% this month from a base of +1.9% for August 2017. The result marked its seventh negative in-store month in a row, with growth of above 1% now not seen since December 2017. This was also the worst August for homeware since 2012. The month started poorly as LFLs plummeted by -20.46% from a base of +6.77% in week one and remained in the negative for the rest of the month.
- Non-store LFLs were up by +13.7% this month from a base of +18.3% for August last year. The sluggish growth was the lowest seen for August since 2015 and constitutes the third lowest result in the year-to-date. The first two weeks of August saw non-store growth of just +10.33% and +9.96% respectively. Growth of just over +17% in weeks three and four was not sufficient to boost the total non-store result as homeware held the overall LFL back throughout the month.

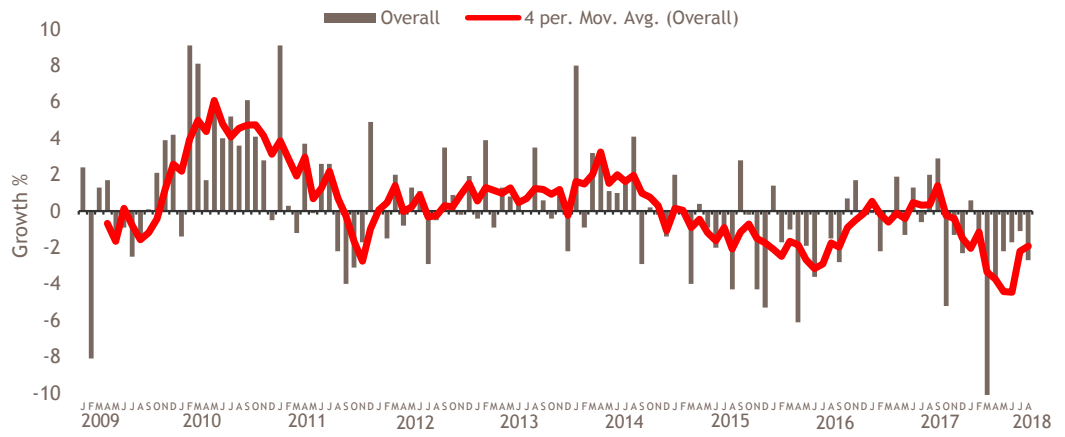
The High Street Sales Tracker outlines weekly like-for-like sales changes of c85 mid-tier retailers with c10,000 individual stores across Fashion: accessories, clothing, footwear. Lifestyle: general household goods, gifts, health and beauty, leisure goods. Homewares: cookware, furniture and floorcoverings,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



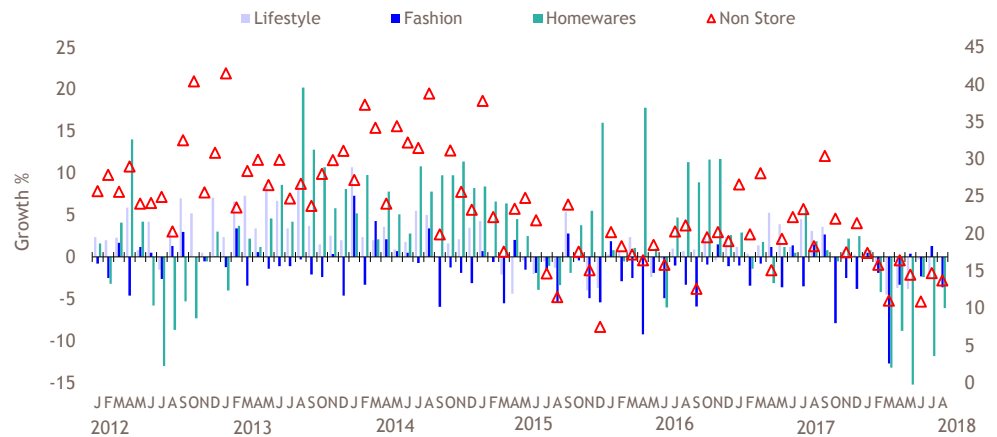
MONTHLY LIKE-FOR-LIKE RESULTS 2018

LFL Growth %	Week 1 (we 05/08)	Week 2 (we 12/08)	Week 3 (we 19/08)	Week 4 (we 26/08)	Total August
Lifestyle	-0.95	-2.03	-1.54	4.88	0.0
Fashion	-3.96	-2.81	-3.85	-3.95	-3.6
Homewares	-20.46	-6.73	-1.32	-2.47	-6.1
Non-store	10.33	9.96	17.38	17.11	13.7
Total (excl non-store)	-3.93	-2.95	-2.84	-1.10	-2.7

MONTHLY LIKE-FOR-LIKE RESULTS 2009-2018



MONTHLY LIKE-FOR-LIKE RESULTS BY SECTOR 2012-2018



Further Information: HighStreetSalesTracker@bdo.co.uk

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