BDO HIGH STREET SALES TRACKER

MAY MONTHLY REVIEW - the four weeks to 27 May 2018 08 June 2018

TOTAL (excl non-store)

-2.2%

May 2017: -1.3%

LIFESTYLE

-3.8%

May 2017: +3.9%

FASHION

+0.4%

May 2017: -3.6%

HOMEWARES

-15.2%

May 2017: +1.2%

NON-STORE

+14.5%

May 2017: +19.3%

Store sales fail to ring up as confetti falls in May

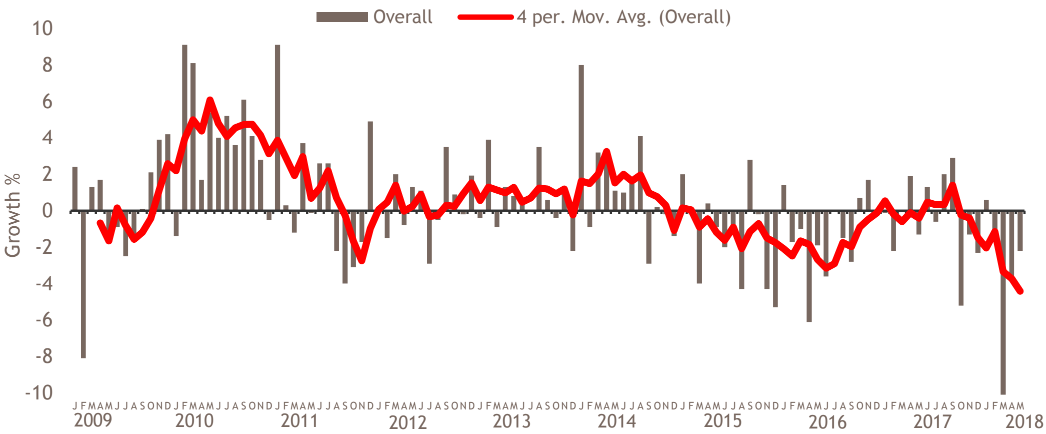
- Total like-for-like in-store sales were down by -2.2% in May from a base of -1.3% for May 2017.
- The result was the worst for the month of May seen for twelve years. It is also now eight months since in-store LFL growth on the high street has exceeded +1%.
- May began with total like-for-like in-store sales down by -3.36% in week one which ended with the weekend just prior to the early May bank holiday Monday. The previous year had included the bank holiday Monday when sales received a boost. However, week two did begin with a scorcher of a bank holiday Monday and sales were up by +2.36%. Any hopes for a significant lift in sales due to the Royal Wedding celebrations were dashed in week three as sales slumped by -5.05%. Despite glorious sunshine, Saturday trading appeared to be hit hard as the eyes of the nation were distracted by the celebrations. Week four ended with the weekend just prior to the May Spring bank holiday Monday, with LFLs down by -2.96%.
- Fashion was the star performer in May, while lifestyle and homeware fell into the negative.
- The weather performed well in May and overall footfall was up in weeks one and three, but fell sharply by -3.6% in week four as rain set in at the end of the month. Footfall on the high street was also up in the same weeks, with the high of +4.6% coming in week three with the Royal Wedding perhaps providing a boost. Retail parks saw footfall increase in weeks two and three, while remaining flat in weeks one and four. However, the glorious sunshine seen at times in May did little for footfall at shopping centres which was down in every week of the month.
- On paper, May provided the right conditions for successful in-store sales for retail. The sun shone for prolonged periods. The month incorporated the feel good factor generated by the prospect of two bank holidays and a Royal Wedding. However, while increased footfall at times did provide opportunities, a beautiful union between consumers and in-store revenue increases failed to materialise. With May not delivering in-store growth, the question remains as to whether the World Cup, which kicks off in Russia next month, will stand any chance of sparking sales for products beyond electricals?
- Some elements are still trending in the right direction, with consumer confidence slowly improving, employment levels strong, CPI inflation ticking down to 2.4% in April and wage growth outpacing inflation in the three months to March. However, as more high profile retailers hit the headlines for store closures and falling profits, May proved that the sector needs more than the right conventional conditions to boost sales. Part of the challenge is to entice the consumer to want to prioritise purchases on the high street more favourably against leisure and entertainment spending. At the same time, retailers are being challenged to adapt their approach to courting an increasingly coy consumer. However it is worth noting that some retailers are effectively meeting these challenges and thriving.
- Lifestyle LFLs were down by -3.8% in-store this month, but from a solid base of +3.9% for May 2017. Despite the strong base, the result was lifestyle's poorest May on record for the High Street Sales Tracker (HSST). Week one saw lifestyle LFLs fall by -4.73%, but from a strong base in 2017 (+9.07%). Week two including the early May bank holiday Monday brought little cheer, with LFLs down by -3.57%, but again from a solid base (+4.94%). However, in the week including the Royal Wedding, sales sank by -7.46%, but ended the month marginally up by +0.38% in the run in to the Spring bank holiday.
- Fashion LFLs were up by +0.4% in-store in May, but from a poor base of -3.6% seen for the same month last year. This was the first positive in-store month for fashion since January this year (+0.5%) and its best month of May since 2014 (+0.7%). Fashion LFL sales were up by +1.34% and +6.65% in weeks one and two respectively this month, growing off of poor bases for those weeks in 2017. However, week three saw sales drop by -0.88% from a poor base of -5.32% for the equivalent week the year before as the Royal Wedding appeared to dent Saturday trading. The month ended with a bump as LFL sales fell by -5.59% for the week ending with the weekend just prior to the Spring bank holiday Monday.
- Homeware LFLs were down by a significant -15.2% in May, falling hard from a base of +1.2% for the same month last year. The result was the worst in-store monthly homeware result on record for the HSST. In-store LFL sales were down by over 26% in weeks one and three and were negative in three out of four weeks of May.
- Non-store LFLs were up by +14.5% this month from a base of +19.3% for May 2017. Fashion made up ground with non-store sales in May, as did lifestyle, while homeware struggled. Week two, incorporating the early May bank holiday Monday and week four leading up to the Spring bank holiday both saw overall non-store LFL growth break through the +20% ceiling. However, non-store sales remained volatile at times, posting growth of only +4.21% in week three as the Royal Wedding ensued.

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.

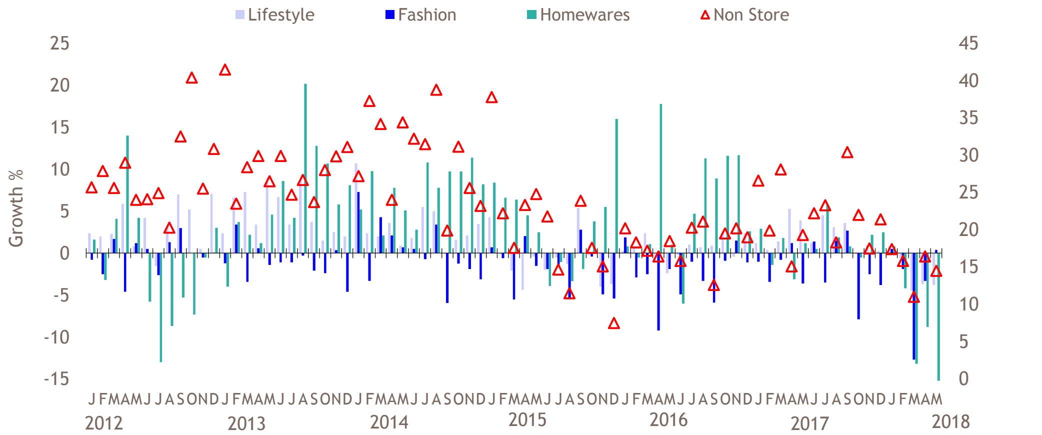
MONTHLY LIKE-FOR-LIKE RESULTS 2018

LFL Growth %	Week 1 (we 06/05)	Week 2 (we 13/05)	Week 3 (we 20/05)	Week 4 (we 27/05)	Total May
Lifestyle	-4.73	-3.57	-7.46	0.38	-3.8
Fashion	1.34	6.65	-0.88	-5.59	0.4
Homewares	-26.91	-6.84	-26.05	1.03	-15.2
Non-store	11.43	21.89	4.21	20.57	14.5
Total (excl non-store)	**-3.36**	**2.36**	**-5.05**	**-2.96**	**-2.2**

MONTHLY LIKE-FOR-LIKE RESULTS 2009-2018



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



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