

BDO HIGH STREET SALES TRACKER

January discounts fail to entice consumers onto the high street

JANUARY MONTHLY REVIEW
THE FOUR WEEKS TO 27 JANUARY 2019



STORE

-0.2%

JANUARY 2018: +0.6%



NON-STORE

+19.1%

JANUARY 2018: +17.4%



TOTAL

+3.8%

JANUARY 2018: +3.6%

- ▶ Total like-for-like (LFL) sales increased by +3.8% this month from a positive base of +3.6% for January last year, thanks in large part to strong non-store growth. However, total in-store LFLs declined by -0.2% this month, but from a marginally positive base of +0.6% last year. The result suggests that 2018's woes for bricks-and-mortar retail have continued into the first month of 2019. January discounts produced good in-store sales early in the month, however poor weather and consumer malaise led to January becoming the twelfth consecutive month of negative results for total in-store LFLs. It also means that there has been no growth above 1% for total in-store LFLs for the past sixteen months. However, total non-store LFLs saw strong growth of +19.1% in January from a base of +17.4% last year. January's result marks the best total non-store LFL since December 2017 as the final week of the month recorded an impressive boost for non-store sales (+29.43%).
- ▶ January began with total LFLs seeing impressive growth of +8.21% from an strong base of +6.66% for the same week last year. Total LFLs remained positive in week two rising by +1.98% from a robust base of +6.11%. Week three saw growth of +2.46% from a base of +1.63% in 2018. In the final week of January, total LFLs saw an uptick of +3.99% on the back of strong non-store sales, from a base of +1.79% last year.
- ▶ Overall footfall was down in all weeks except the first in January with the worst result (-4.6%) coming in the final week of the month. Both the high street and shopping centres mirrored the overall trend with negative footfall through the month after experiencing a bump in week one. Retail parks saw marginal growth in the middle of the month increasing by +0.3% in both weeks two and three, but posted a monthly low in the final week of the month. The high street suffered the single most precipitous decline in the final week of the month (-6.1%), amid cold weather.
- ▶ According to recent consumer confidence reports, concerns over the general economic outlook are close to hitting levels not seen since the economic crash in 2008; and the pervading uncertainty is not just affecting consumers, as retailers will also be hoping for clarity on key issues. With January discounting stretching margins and further highlighting structural changes taking place within the retail sector, the debate over business rates is pressing. While the short-term is unlikely to provide a major change in circumstance for the sector, retailers remain under pressure to invest in enhancing the consumer experience.



LIFESTYLE

+2.4%

JANUARY 2018: +3.1%



FASHION

+5.3%

JANUARY 2018: +5.0%



HOMEWARES

+2.0%

JANUARY 2018: -1.7%

- ▶ Lifestyle total LFLs increased by +2.4% this month from a good base of +3.1% for January last year. Total lifestyle LFLs were positive in each week this month recording the strongest result (+4.08%) in the first week. In-store LFLs for lifestyle recorded a decline of -2.0% this month from a base of +0.8% last year. The result marks twelve consecutive months of negative in-store sales for lifestyle. In-store LFLs for lifestyle were negative in three out of four weeks in January.
- ▶ Fashion total LFLs saw good growth of +5.3% this month from a strong base of +5.0% for the equivalent month last year. Total fashion LFLs were positive in all four weeks beginning the month with impressive growth of +11.77% in week one. In-store LFLs for fashion had a slight uptick of +0.6% for January on the back of a strong first week (+7.23%). The result puts in-store LFLs for fashion back on positive ground for the first time since July 2018. In-store fashion LFLs were negative for the final three weeks of the month.
- ▶ Homeware total LFLs saw an increase of +2.0% this month, but from a negative base of -1.7% for January last year. Total homeware LFLs recorded a decline in the first two weeks of the month, followed by two weeks of growth posting its strongest result (+10.74%) in week three. In-store LFLs for homeware recorded slight growth of +0.6% for January from a base of +0.8% for the same month last year. In week two, in-store LFLs for homeware recorded a monthly low of -8.98%.

As of September 2018, lifestyle, fashion and homewares figures represent combined in-store and non-store totals for that category.

FOR MORE INFORMATION

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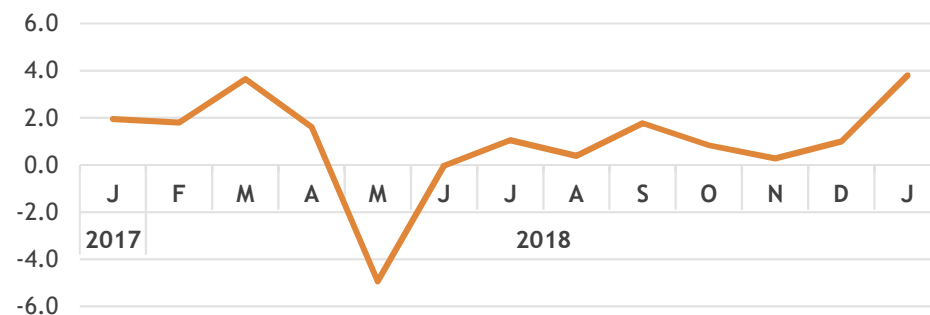
The High Street Sales Tracker outlines weekly like-for-like sales changes of some c85 retailers with c10,000 individual stores across Fashion: accessories, clothing, footwear. Lifestyle: general household goods, gifts, health and beauty, leisure goods. Homewares: cookware, furniture and floor coverings, lighting, linen and textiles. Non-store: mail order, online and other non-store channels. Total like-for-likes exclude non-store sales. Any footfall figures quoted are provided by Springboard who are a leading provider of automated visitor counting and retail sales analysis.

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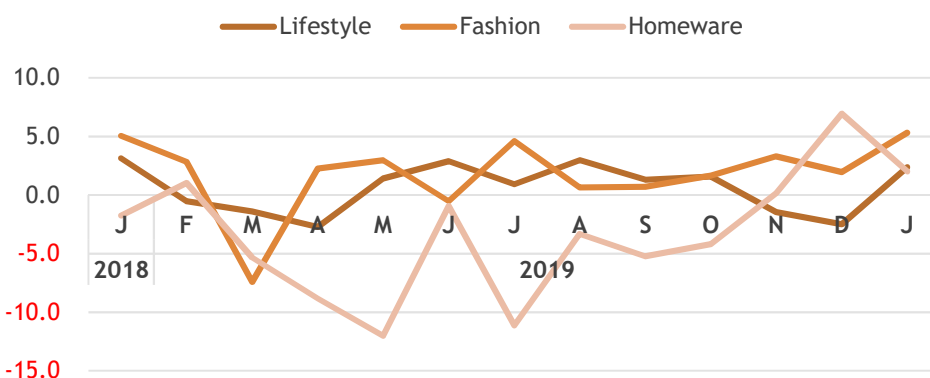
TOTAL LIKE-FOR-LIKE RESULTS FROM 2017-2018

LFL Growth %	Week 1 (we 06/01)	Week 2 (we 13/01)	Week 3 (we 20/01)	Week 4 (we 27/01)	Total January
Lifestyle	4.08	2.09	2.98	0.40	2.4
Fashion	11.77	2.78	1.11	5.48	5.3
Homeware	-2.79	-4.04	10.74	5.83	2.0
STORE	5.12	-3.13	-0.95	-2.33	-0.2
NON-STORE	16.59	17.00	13.60	29.43	19.1
TOTAL	8.21	1.98	2.46	3.99	3.8

MONTHLY LIKE-FOR-LIKE RESULTS 2018-2019



MONTHLY LIKE-FOR-LIKE RESULTS BY SECTOR 2018-2019



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