BDO HIGH STREET SALES TRACKER

MARCH MONTHLY REVIEW - the four weeks to 25 March 2018 06 April 2018

Sales smothered by blanket of snow in March

TOTAL (excl non-store)

-10.1%

March 2017: 0.0%

- Total like-for-like in-store sales were down by a significant -10.1% in March from a flat base last year. The result means that in-store sales experienced their second worst month on record, primarily due to the severe winter weather. According to the High Street Sales Tracker (HSST) records, the only worse month was November 2008 (-10.6%), when the UK was gripped by a financial crisis and heavy snowfall.
- March began with a very tough set of circumstances as widespread and heavy snowfall blighted the UK. As a result, week one saw in-store LFL sales plummet by -28.05%, the worst weekly in-store result on record for the High Street Sales Tracker (HSST). Week two saw a level of recovery as sales were up by +8.22%, which marked the best total in-store result since mid-April 2017. The week also culminated in Mother's Day and was going up against an equivalent week the year before that did not include Mother's Day. Week three saw sales decline by -7.20% as another blast of wintry weather from the East dented weekend sales. Week four was down by a significant -12.99%, as lingering snow hampered sales yet again at the start of the week. Despite going up against a negative week ending in Mother's Day the previous year, sales remained in a slump.
- All three in-store sector indexes were well into negative territory in March, with positive growth only coming from non-store sales, but at a fairly pedestrian rate.
- Overall footfall was down in each week of March. Week one plummeted to a month-low of -17.5%, as Storm Emma and the so-called "Beast from the East" savaged the UK. Footfall on the high street was also down in each week of March, with the low of -19.4% again coming in week one. Retail parks saw footfall down by -12.8% in week one. However, footfall at retail parks was up in week two (+3.1%), though returned to the negative for the last two weeks of the month. The pattern was repeated for shopping centres, where footfall was down by -18.1% in week one, only growing in week two (+3.6%).
- Retailers will welcome the recent positive economic news from the Office of National Statistics (ONS), concerning lower inflation, employment and wage growth. However, spending on items such as clothing, homeware and electrical goods still remains under tremendous strain. The snowfall in March hit at a difficult time for in-store sales. The situation has been somewhat compounded by a moderate slowdown in non-store sales in the year to-date, with consumers continuing to exercise caution. As spring fashion lines roll out onto UK high streets, retailers will be looking to make a fresh start. Many have been working to meet the challenges, to flex their structures, and to enhance product and experience via investment. These businesses will be best positioned to be market-fit when spending returns in earnest. Following poor weather for the Easter weekend, retailers will be looking to kick-start a return to growth through next month in the hope of improved weather.

LIFESTYLE

-4.5%

March 2017: +1.4%

- Lifestyle LFLs were down by -4.5% in-store from a base of +1.4% for the same month last year. The result was the lowest seen for lifestyle since November 2008 (-8.6%). In the snow-blighted week one, lifestyle in-store LFL sales fell by -20.63%. However, as week two ended in Mother's Day, lifestyle LFL sales rebounded, up by +20.15%. The result marked the best in-store week for lifestyle since the week ending in Christmas Day 2016. However, the second half of the month brought two negative in-store weeks for lifestyle, with sales down by -15.67% in week four as snow lingered.

FASHION

-12.7%

March 2017: -0.8%

- Fashion LFLs were down by -12.7% in-store this month from a base of -0.8% seen for the same month last year. The extreme weather conditions and tough trading environment meant that March was the worst month on record for in-store fashion sales, the next worst being November 2008 (-11.4%). In-store fashion sales were hit hardest by the winter storms in week one, down by -31.78%. While week two ending in Mother's Day saw sales up by +2.42%, a return of the wintry weather in week three saw LFL sales decline in-store by -9.28%. As the snow continued to linger on, week four also ended significantly down (-11.68%), going up against a negative week ending in Mother's Day the year before.

HOMEWARES

-13.2%

March 2017: +1.8%

- Homeware LFLs were down by -13.2% in-store in March from a base of +1.8% for the equivalent month last year. This month's result was the worst seen for homeware on record. In-store LFL sales were down by -25.90% in week one. Despite being up by +3.00% in week two, continuing wintery conditions saw sales slump to -10.13% in week three and by a heavy -13.15% in week four.

NON-STORE

+11.0%

March 2017: +28.1%

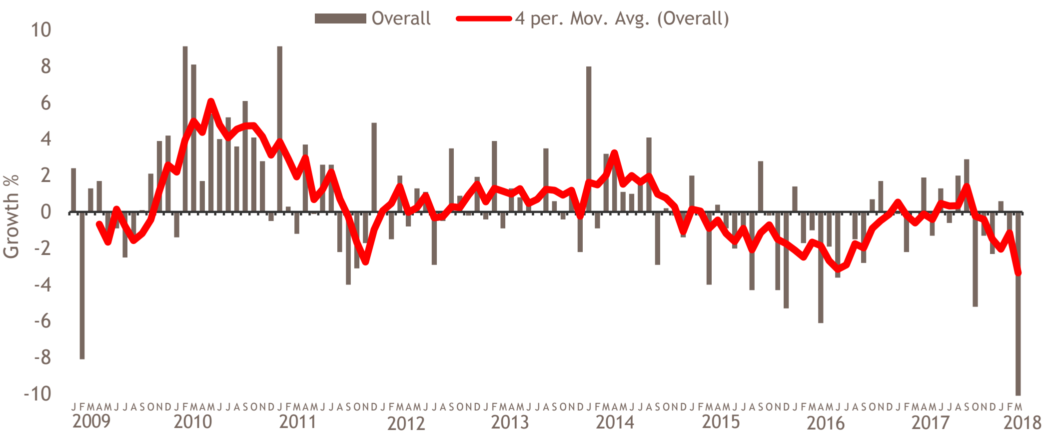
- Non-store LFLs were up by +11.0% in March from a strong base of +28.1% seen last year. The non-store result for March this year was the lowest monthly growth seen since December 2015 (+7.5%). The snow appeared to make consumers reluctant to place orders for fear that deliveries would not make it through. In week one non-store sales were lacklustre, up by +6.56%. In week two non-store sales rebounded to +22.39%, the first weekly result of the year to-date to break through the +20% threshold. However, in week three LFL sales growth was up by a more muted +12.72%. The month ended with non-store sales up by only +2.36%, going up against a strong week that included Mother's Day last year.

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.

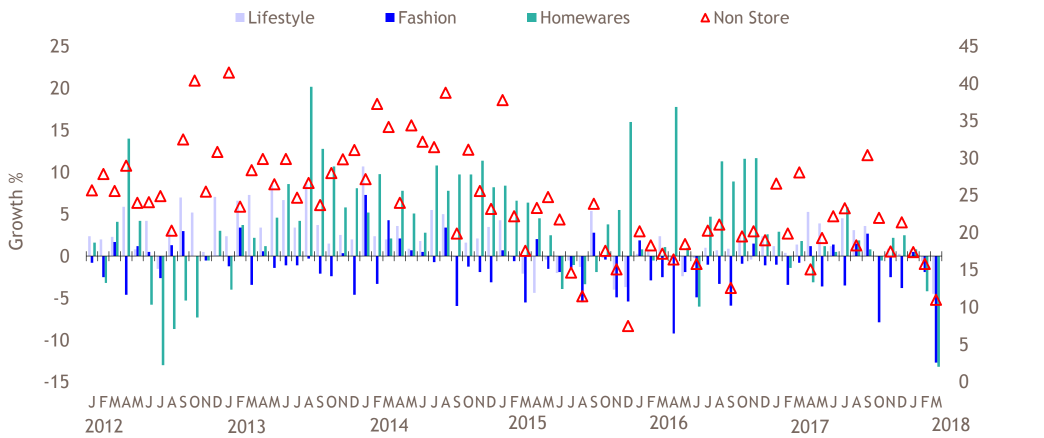
MONTHLY LIKE-FOR-LIKE RESULTS 2018

LFL Growth %	Week 1 (we 04/03)	Week 2 (we 11/03)	Week 3 (we 18/03)	Week 4 (we 25/03)	Total March
Lifestyle	-20.63	20.15	-2.77	-15.67	-4.5
Fashion	-31.78	2.42	-9.28	-11.68	-12.7
Homewares	-25.90	3.00	-10.13	-13.15	-13.2
Non-store	6.56	22.39	12.72	2.36	11.0
Total (excl non-store)	**-28.05**	**8.22**	**-7.20**	**-12.99**	**-10.1**

MONTHLY LIKE-FOR-LIKE RESULTS 2009-2018



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



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