

BDO HIGH STREET SALES TRACKER

DECEMBER MONTHLY REVIEW
Four weeks to 29 December 2019



STORE

+0.7%

DECEMBER 2018: -1.9%



NON-STORE

+24.5%

DECEMBER 2018: +11.9%



TOTAL

+6.6%

DECEMBER 2018: +1.0%

December Defined by Discounting

- ▶ Total like-for-like (LFL) sales increased by +6.6% in December from a base of +1.0% for the equivalent month last year. Total in-store LFLs increased slightly by +0.7% this month, but failed to offset a poor result of -1.9% last year. Total non-store LFLs recorded a strong result of +24.5% this month from a relatively middling base of +11.9% for December last year. Defined by heavy discounting, December recorded strong LFL sales to begin and end the month resulting in the best total LFL and total non-store LFL since September 2017. With Christmas falling on a Wednesday this year consumers took advantage of the extra shopping day at the beginning of the week leading to a good boost for final week sales (+8.59%). Yet total in-store LFLs still failed to offset a poor base from last year.
- ▶ December began with total LFLs rocketing upwards by +22.40% on the back of extraordinary total non-store LFLs during Cyber Monday week (+67.89%), though from a poor base of -2.38% for the equivalent week last year (which did not include Cyber Monday). Total LFLs were relatively flat (+0.28%) in week two from a base of +0.61% for the same week last year. The penultimate week of December saw total LFLs record a marginal decline of -0.37% from a negative base of -2.21% last year. The month concluded with total LFLs increasing by +6.61% from a strong base of +7.85% for the same week last year.
- ▶ Overall footfall was down for all but the final week in December when compared to the same weeks in 2018. The month began with footfall recording a decline of -1.9% and recorded its largest fall of -7.0% in the week before Christmas. The high street recorded very poor footfall in the middle of the month (-6.2% and -7.3%). Shopping centres posted the worst result of the month in the penultimate week of December (-7.5%), which was the final full week before Christmas. On the other hand, both shopping centres and retail parks saw footfall increase in the final week of the month (+2.9% and +4.5%).
- ▶ December's historic election, and landslide result, produced a level of certainty for the country moving into 2020. But with another difficult negotiation ahead, the immediate rise in optimism could prove to be delicate. While Q4 growth is unlikely to prove inspiring, unemployment and inflation levels provide a good basis for consumer spending. The Queen's Speech also included a small step that will be welcome for smaller retailers in the revision of business rates, though the post-Brexit budget in February will need to provide a wider foundation of pro-business policies in order to assuage all retailers. With heavy discounting omnipresent in the weeks before and after Christmas, December's LFL results are only the most recent example of how tight margins have become on the high street and how critical promotions have become for increasing sales. Retailers will be hoping that 2020 instils a renewed confidence to invest, and a return of more relaxed spending habits from consumers.

TOTAL LIKE-FOR-LIKE RESULTS FROM 2018-2019

LFL Growth %	Week 1 (we 08/12)	Week 2 (we 15/12)	Week 3 (we 22/12)	Week 4 (we 29/12)	Total December
Lifestyle	23.72	6.29	-2.09	23.01	12.9
Fashion	21.69	-3.67	-0.73	0.15	4.5
Homeware	22.53	8.33	16.55	-4.53	11.7
STORE	6.70	-2.90	-8.51	8.59	0.7
NON-STORE	67.89	5.87	17.01	2.36	24.5
TOTAL	22.40	0.28	-0.37	6.61	6.6

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

IDEAS | PEOPLE | TRUST





LIFESTYLE

+12.9%

DECEMBER 2018: -2.5%



FASHION

+4.5%

DECEMBER 2018: +2.0%



HOMEWARES

+11.7%

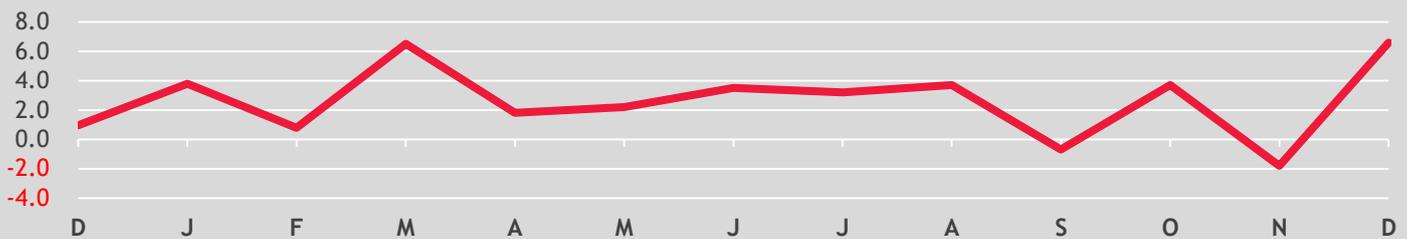
DECEMBER 2018: +6.9%

► Lifestyle total LFLs increased by +12.9% in December, but from a base of -2.5% for the same month last year. This month's result marks the best total LFL for lifestyle since the HSST began recording for the category in September 2017. In-store LFLs for lifestyle increased by +6.0% this month, though from a dire base of -3.9% for December last year. Bolstered by strong weeks to begin and end the month (+13.25% and +20.08%), the result means that December recorded the first positive in-store LFL for lifestyle since January 2018.

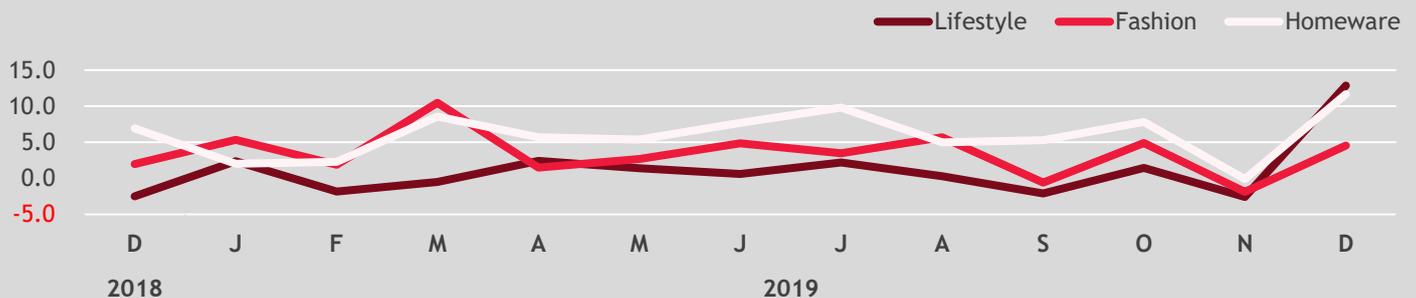
► Fashion total LFLs saw an uplift of +4.5% this month from a base of +2.0% for December last year. Led by a robust LFL in the first week of December (+21.69%), the result means that 2019 closed with total LFLs for fashion back on positive ground after a negative result in November. In-store LFLs for fashion, however, fell by -2.4% this month from a poor base of -2.0% for December last year. The result was influenced by a significant decline (-9.03%) for in-store LFLs for fashion in the week before Christmas.

► Homeware total LFLs increased by +11.7% in December from a good base of +6.9% for the same month last year. The result puts total LFLs for homeware back on positive ground following the first negative result since October 2018 in November. In-store LFLs for homeware improved by +4.2% this month from an already strong base of +9.3% for December last year. This month's result means that in-store LFLs for homeware have been positive for four consecutive months.

MONTHLY LIKE-FOR-LIKE RESULTS 2018-2019



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



FOR MORE INFORMATION

e: HighStreetSalesTracker@bdo.co.uk

The High Street Sales Tracker outlines weekly like-for-like sales changes of some 80 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 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.

This publication has been carefully prepared, but it has been written in general terms and should be seen as containing broad statements only.

This publication should not be used or relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained in this publication without obtaining specific professional advice. Please contact BDO LLP to discuss these matters in the context of your particular circumstances. BDO LLP, its partners, employees and agents do not accept or assume any responsibility or duty of care in respect of any use of or reliance on this publication, and will deny any liability for any loss arising from any action taken or not taken or decision made by anyone in reliance on this publication or any part of it. Any use of this publication or reliance on it for any purpose or in any context is therefore at your own risk, without any right of recourse against BDO LLP or any of its partners, employees or agents.

BDO LLP, a UK limited liability partnership registered in England and Wales under number OC305127, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. A list of members' names is open to inspection at our registered office, 55 Baker Street, London W1U 7EU. BDO LLP is authorised and regulated by the Financial Conduct Authority to conduct investment business.

BDO is the brand name of the BDO network and for each of the BDO member firms.

BDO Northern Ireland, a partnership formed in and under the laws of Northern Ireland, is licensed to operate within the international BDO network of independent member firms.

Copyright © BDO LLP. All rights reserved. Published in the UK.

www.bdo.co.uk