



BDO HIGH STREET SALES TRACKER

AUGUST MONTHLY REVIEW - the four weeks to 30 August 2015

3 September 2015

TOTAL (excl non-store)

-4.3%

August 2014: +5.0%

LIFESTYLE

-1.3%

August 2014: +5.0%

FASHION

-5.5%

August 2014: +3.4%

HOMEWARES

-3.3%

August 2014: +7.8%

NON-STORE

+11.5%

August 2014: +38.8%

Worst month since November 2008

- August's High Street Sales Tracker recorded a further month of decline, with sales falling by 4.3% compared to the same month last year - the worst performance since November 2008. The figure also represents the fourth consecutive month in succession of negative like-for-likes - the first time May to September have all been negative since 2009.
- With the exception of the last week of the month, consumers deserted the high street in favour of spending on holidays abroad. Surveys this month have pointed to increased expenditure on leisure activities, with Gatwick Airport reporting its busiest ever August bank holiday weekend.
- The strength of the pound is proving somewhat detrimental to high street retailers' revenues. Consumers are spending more on items abroad to take advantage of the exchange rate, whilst tourists - particularly from the Eurozone - are less willing to spend. The continuing political and macroeconomic uncertainty, coupled with the threat of an interest rate rise in mid-2016, is also weighing on consumers' minds.
- Consumers remain selective about spending. Specialist fashion retailers and small ticket giftware retailers reported relatively strong like-for-likes through the month, whereas furniture and retailers of premium lifestyle goods struggled to convert footfall into sales. Outdoor goods retailers (e.g. cycling and hiking stores) had another weak month due to a relatively poor month weatherwise, as well as increasing competition within the sector.
- Lifestyle saw a slight decline in like-for-likes of 1.3% which, although negative, is the strongest performer across the three bricks-and-mortar sectors covered by the tracker. The sector was lifted by a number of small ticket giftware retailers reporting positive like-for-likes throughout the month.
- Fashion retailers had a particularly disappointing month, with like-for-likes plunging by 5.5% for the month. Specialist fashion retailers largely reported the best month, with mass market fashion only enjoying a slight uplift in the last week of the month. Department store sales of fashion suffered particularly this month with declining footfall. Discounting was less prevalent this summer than in August 2014, with better control of stock this year meaning many retailers had less items to offer in sales.
- Homeware like-for-likes slumped by 3.3% in August, led primarily by a decline in expenditure on large items such as furniture. Home improvement was also weak this month due to many consumers delaying household improvements until their return from holiday.
- Non-store sales are continuing to mature. After we reported the largest fall in like-for-likes in July to a rise of just 14.6%, like-for-likes for remote sales reached a new low this month, rising by just 11.5%. The trend seems to mirror the sectorwide issue of consumers being less willing to spend, although the last week of August saw a slight improvement in non-store sales, providing a glimmer of hope for improved expenditure through this channel in Autumn.

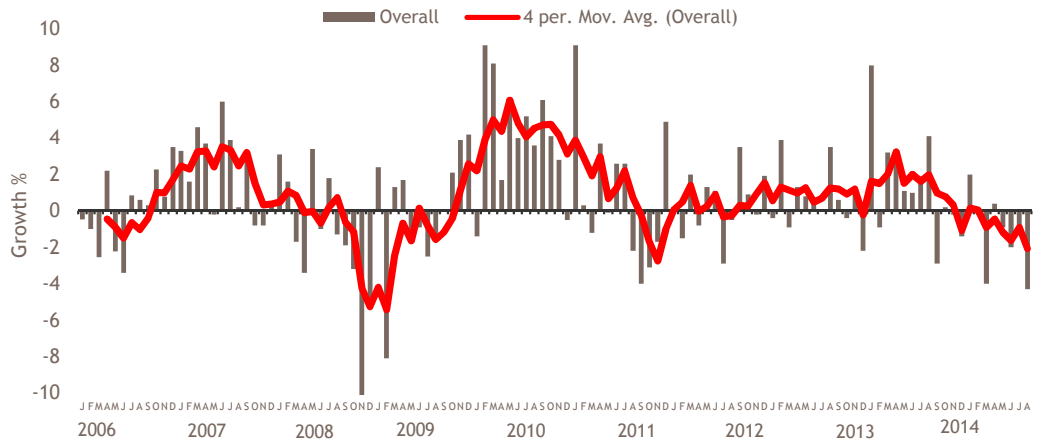
The High Street Sales Tracker outlines weekly like-for-like sales changes of c85 mid-tier retailers with c10,000 individual stores across Fashion: accessories, clothing, footwear. Lifestyle: general household goods, gifts, health & beauty, leisure goods. Homewares: cookware, furniture & floorcoverings,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



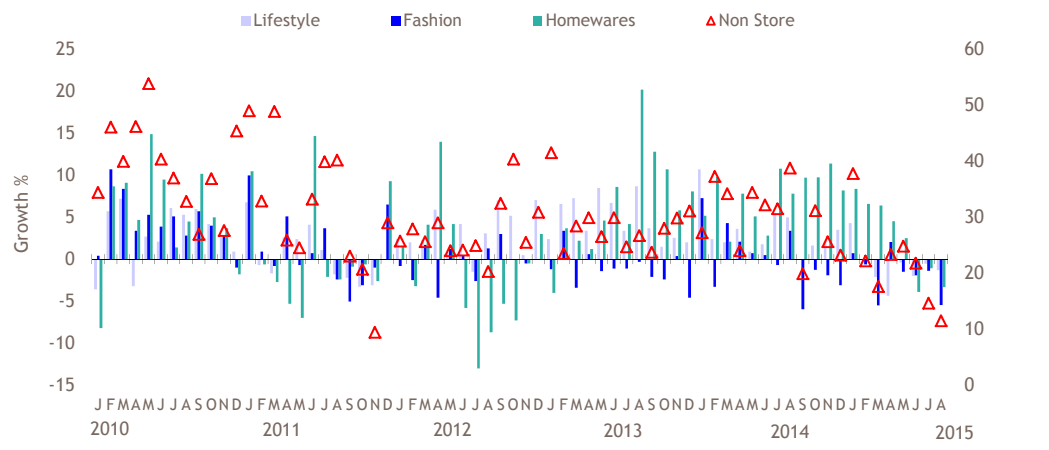
MONTHLY LIKE-FOR-LIKE RESULTS AUGUST 2015

LFL Growth %	Week 1 (we 09/08)	Week 2 (we 16/08)	Week 3 (we 23/08)	Week 4 (we 30/08)	Total August
Lifestyle	-1.81	-0.15	-3.98	-0.69	-1.3
Fashion	-5.51	-6.30	-7.92	-2.60	-5.5
Homewares	0.95	-14.00	-5.60	-5.90	-3.3
Non-store	9.52	5.34	10.10	19.06	11.5
Total (excl non-store)	-4.09	-4.94	-6.94	-2.20	-4.3

MONTHLY LIKE-FOR-LIKE RESULTS 2006-2015



MONTHLY LIKE-FOR-LIKE RESULTS BY SECTOR 2010-2015



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