



BDO HIGH STREET SALES TRACKER

JANUARY MONTHLY REVIEW - the five weeks to 29 January 2017

10 February 2017

TOTAL (excl non-store)

-0.10%

January 2016: +1.4%

LIFESTYLE

+1.2%

January 2016: +0.3%

FASHION

-1.0%

January 2016: +1.9%

HOMEWARES

+2.9%

January 2016: +0.8%

NON-STORE

+26.6%

January 2016: +20.2%

First negative January in four years

- Total like-for-like sales were down by -0.1% in January, the worst result for four years when LFLs fell by -0.4% in January 2013.
- However, the modest decline was coming off of a positive base of +1.4% for the same month last year, so should be kept in perspective.
- Positive in three weeks of January, total in-store LFLs were down by -4.46% amid poor weather in week three, and again by -1.57% in the last week of the month, as post-Christmas discounting was steadily withdrawn.
- Homeware and lifestyle sales were both positive in January, growing further off of positive bases. After a positive start, fashion experienced a tough end to the month, and ended January with negative in-store growth overall. The real success for January was online sales, which reached a two year high as poor weather saw shoppers taking advantage of discounting remotely.
- Overall footfall was up in the first two weeks of the month, but spells of poor weather and the curtailing of discounting meant that it fell into the negative for the second half of January, with a low of -4.1% in week three denting overall sales. Retail parks and shopping centres saw footfall down in all but one week of the month, with a falloff in the second half of the month also evident. On the high street, footfall was up in the first two weeks of January, dropping to a month low of -3.9% in week three, and ending the month in the negative (-2.5%).
- The fall in sales in January coincides with a report from the think tank, Resolution Foundation, that a "mini-boom" in living standards between 2014 and the beginning of 2016, has ended. The boom was fuelled by subdued inflation, rising wages and employment. However, it maintains that a rise in inflation late in 2016, coupled with slower income growth, has marked the end of the boom. Indeed, the Office for National Statistics (ONS) reported that Consumer Prices Index (CPI) inflation rose to 1.6% in December, up from 1.2% in November, with higher costs for imported materials and fuels pushing up producer prices and eating into profits. Consumer inflation as measured by the Retail Prices Index (RPI), also rose to 2.5% in December from 2.2% the previous month. The news comes as the Markit/CIPS Purchasing Managers' Index reported that manufacturers were forced to increase their own prices in January at the fastest pace since April 2011.
- Lifestyle LFLs performed well in January, up by +1.2% off of an already positive base of +0.3% for same month last year. Positive in three weeks of the month, the high of +5.55% came in week two, with the last two weeks of January also in positive territory. This was the second positive month in succession for lifestyle.
- Fashion LFLs were down by -1.0% in January from a positive base of +1.9% for January last year. The result was the second negative month in a row for fashion, but its eleventh negative in-store result in the last twelve months. After a positive start to the month, the last three weeks of January all yielded negative results (as discounting faded), with the low of -6.0% coming in week three when poor weather dented footfall.
- Homeware was the star performer this month, with LFLs up by +2.9% off of a base of +0.8% last year. The result marked the seventh positive month in a row for homeware sales. Positive in three weeks of the month, the high of +10.80% came in week two when footfall grew overall. Fortunes were polarised in January as some department stores, furniture and soft furnishings retailers performed well in-store, while others struggled.
- Non-store LFLs were up by an impressive +26.6% in January, its best month since January 2015, marking a two year high. While the poor weather did impact bricks-and-mortar sales, shoppers were still taking advantage of seasonal discounting online. The growth was coming off of an already positive base of +20.2% for January last year.

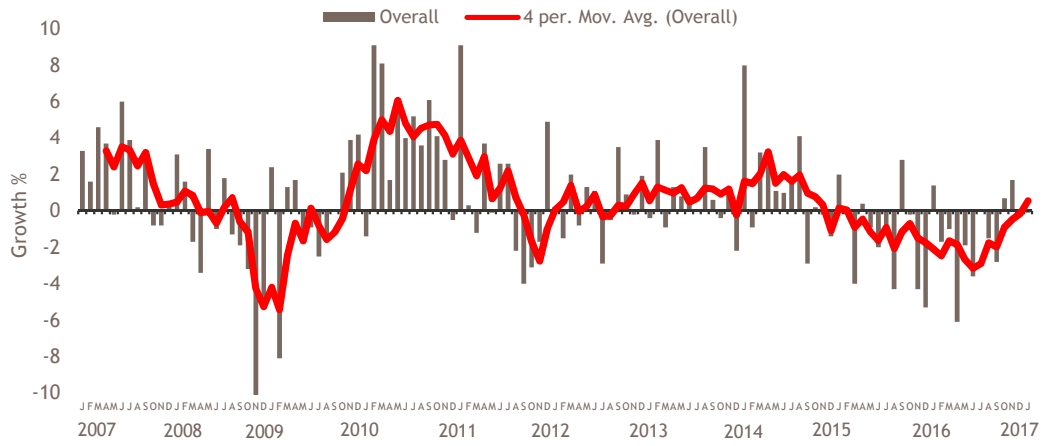
The High Street Sales Tracker outlines weekly like-for-like sales changes of c85 mid-tier retailers with c10,000 individual stores across Fashion: accessories, clothing, footwear. Lifestyle: general household goods, gifts, health and beauty, leisure goods. Homewares: cookware, furniture and floorcoverings,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



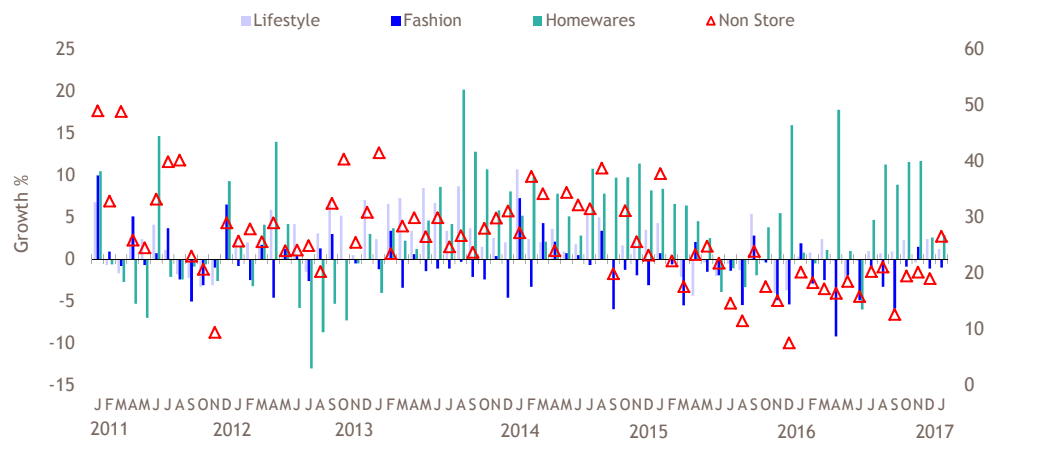
MONTHLY LIKE-FOR-LIKE RESULTS 2017

LFL Growth %	Week 1 (we 01/01)	Week 2 (we 08/01)	Week 3 (we 15/01)	Week 4 (we 22/01)	Week 5 (we 29/01)	Total January
Lifestyle	-0.53	5.55	-1.49	2.19	0.28	1.2
Fashion	3.57	2.59	-6.00	-1.26	-2.55	-1.0
Homewares	-1.37	10.80	-2.50	7.28	0.67	2.9
Non-store	25.57	20.00	39.00	27.33	20.24	26.6
Total (excl non-store)	2.04	4.00	-4.46	0.33	-1.57	-0.1

MONTHLY LIKE-FOR-LIKE RESULTS 2007-2017



MONTHLY LIKE-FOR-LIKE RESULTS BY SECTOR 2011-2017



Further Information: HighStreetSalesTracker@bdo.co.uk

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