

BDO HIGH STREET TRACKER

JANUARY MONTHLY REVIEW
Four weeks to 28 January 2024



Cost of Living Uncertainty and Icy Winds Batter UK Retailers

- ▶ Total like-for-like (LFL) sales fell -0.8% in January from last year's positive base of +10.9%, the fourth successive negative monthly result since September 2023. Store LFL sales fell by -4.2% from last year's very positive base of +19.5%, while non-store sales grew by +3.2% from a positive base of +4.1% for the same month last year.
- ▶ January was a month of mixed weekly LFL results. In the first week of January, total LFL sales fell by -1.55% from a base of +13.67% for the same week in 2023. This negative result was followed by two positive weeks, which hinted at a possible return to positive monthly LFL results. In week two, LFL sales grew by +1.19% from a base of +12.79% for the corresponding week last year. In week three, total LFL sales grew by +1.21% from last year's positive base of +11.96%. Hopes of a positive monthly LFL result ended in the final week however with LFL sales falling by -5.16% from a base of +10.20% for the same week last year.
- ▶ In a month which proved to be the coldest January in over ten years in which the UK was battered by three named storms and parts of the country endured floods, traffic to retail destinations suffered. Overall footfall was negative throughout January, averaging a fall of -2.3% year-on-year, with all destinations enduring sharp falls throughout the month. Retail park traffic rallied slightly in the third and fourth weeks of the month with growth of +1.4% and +1.0% respectively.
- ▶ While the total LFL sales is not as negative as in previous months, January's result represents the fourth consecutive negative overall monthly result in spite of widespread promotional sales throughout the UK. Poor store results across all categories throughout January, likely caused by the icy weather and several storms, exerted significant downward pressure this month. Indeed the only stand out exception to suppressed sales was non-store fashion.
- ▶ The high cost-of-living may still be influencing shopper habits, as winter heating costs together with moderately high inflation may be causing a more cautious approach to discretionary spending.
- ▶ However, there may be a shard of light on the horizon, as many factors contributing to the higher cost of living are continuing to ease. CPI inflation grew by +4.2% in the year to December 2023 driven by lower food prices. Added to this, the Bank of England decided in January to hold the Base Rate at 5.25%.
- ▶ These factors have contributed to some of the highest consumer confidence figures in two years, indicating that Britain's households feel more positive about their income and expenditure. However, with the high cost of living still prevalent in consumer experience, it may take time for this confidence to translate into discretionary spending. As such, retailers may need to remain open to discounting and promotional sales for longer to attract custom while managing margins and attempting to claw back profits not garnered during the golden quarter.

TOTAL LIKE-FOR-LIKE RESULTS FROM 2023-2024

LFL Growth %	Week 1 (w/e 07/01)	Week 2 (w/e 14/01)	Week 3 (w/e 21/01)	Week 4 (w/e 28/01)	Total January
Lifestyle	1.02	3.32	1.15	-4.66	0.4
Fashion	-0.44	3.44	4.22	-6.07	0.3
Homeware	-11.56	-12.02	-7.23	-3.18	-8.4
Store	0.48	-2.03	-7.29	-8.25	-4.2
Non-store	-0.72	2.76	7.25	3.27	3.2
Total	-1.55	1.19	1.21	-5.16	-0.8



LIFESTYLE

+0.4%

January 2023: +7.6%

- ▶ Lifestyle total LFLs grew by +0.4% this month from a positive base of +7.6% for the same month last year.
- ▶ In-store LFLs grew by +0.9% this month from a base of +16.7% last year. After growth in the first two weeks of January, store lifestyle sales fell into negative territory in the latter half of the month, declining by -1.66% from a base of +18.92% and -1.79% from a base of +13.12 for the same weeks last year.



FASHION

+0.3%

January 2023: +20.1%

- ▶ Fashion total LFLs grew by +0.3% this month from a positive base of +20.1% for the same month last year.
- ▶ In-store LFLs fell by -6.7% this month from a base of +26.1% last year. Store sales were negative in all but week 1, falling in the last two weeks by -10.01% and -12.98% from bases of +29.89% and +24.15%.
- ▶ Conversely, non-store sales grew by +6.9% this month from last year's base of +18.9% following two months of negative results.



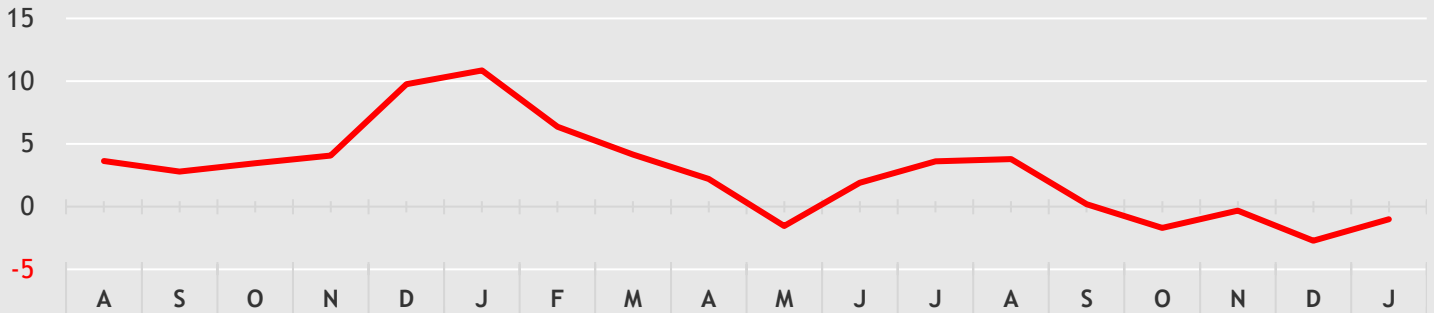
HOMEWARES

-8.4%

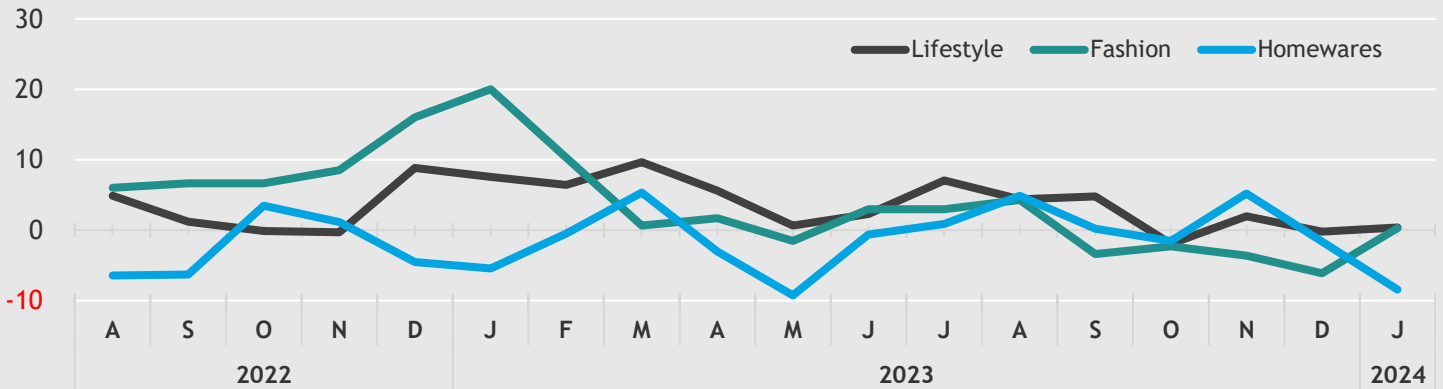
January 2023: -5.4%

- ▶ Homewares total LFLs fell by -8.4% this month from a negative base of -5.4% for the same month last year.
- ▶ In-store LFLs fell by -10.1% this month from a base of +2.1% last year. Bricks-and-mortar homewares sales were negative throughout the whole month with double-digit declines in the first and third weeks of the month in which sales were down -10.64% from a base +6.90% and -13.79% from a base of +2.09% for the same weeks last year.

Monthly total like-for-like results 2022-2024



Monthly like-for-like results by sector 2022-2024



FOR MORE INFORMATION

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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 include store and 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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