

Strictly Embargoed until 00.01 hrs - Tuesday 11th July 2023

BRC – KPMG RETAIL SALES MONITOR

JUNE 2023

COVERING FIVE WEEKS 28TH MAY – 1ST JULY 2023

JUNE SUNSHINE BRIGHTENS RETAIL SALES

<i>% CHANGE YEAR-ON-YEAR</i>		TOTAL	LIKE-FOR-LIKE
UK RETAIL SALES	▲	+4.9%	+4.2%
FOOD (3-MTH)	▲	+9.8%	+10.1%
NON-FOOD (3-MTH)	▼	+0.3%	-0.5%
NON-FOOD – STORE (3-MTH)	▼	+2.0%	+0.6%
NON-FOOD – ONLINE	▲	-1.0%	N/A





Helen Dickinson OBE, Chief Executive | British Retail Consortium

“Retail sales growth ticked up slightly in June as hot weather prompted purchases of summer essentials. Sun-seekers headed to their favourite retailers to buy swimwear and beach towels, and outdoor games, garden furniture and barbecue food were boosted as families came together to celebrate Father’s Day. People were much more cautious about big-ticket purchases like furniture and technology equipment.

“Consumer confidence remains fragile. But, with headline food inflation easing for two months in a row as prices of essentials start to fall thanks to stiff competition and consumers continuing to shift shopping patterns to mitigate as much inflation as they can, confidence could improve. However, retailers’ efforts to bring down prices could be derailed by costly reforms to the packaging levy (Extended Producer Responsibility) and a new deposit return scheme putting an inflationary £4bn burden on retailers. A hike to business rates is also on the cards for next April. Government must look at how these costly policies will impact inflation and consumers and think again.”



Paul Martin, UK Head of Retail | KPMG

“The sun was shining on retailers in June, with the warm weather bringing consumers back out to the high street and like for like sales up nearly 5% on last year.

“Sales of suntan lotion, food and clothing were all given a boost as consumers made the most of the record June temperatures. Online sales continued to fall, but at a much lower rate, with household appliances and gardening equipment proving popular.

“Apart from a blip in May, retail sales growth has remained steady at around 5% every month in the first half of this year. However, the growth comes against a background of much higher inflation levels – resulting in reduced margins and profitability for operators across the sector.

“As we move into the last half the year, retailers will be hoping that anticipated falls in inflation start to deliver stronger sales growth in order to improve the overall health of the sector. The wild card continues to be food inflation which remain stubborn, and is having a negative impact on consumers’ ability to spend on non-essential items.

“Consumers have so far remained resilient, but the triple threats of further interest rate hikes, resolute double digit food inflation and an economy recovering at slower rate than predicted, could hamper a return to much needed profitable growth across the retail sector.”

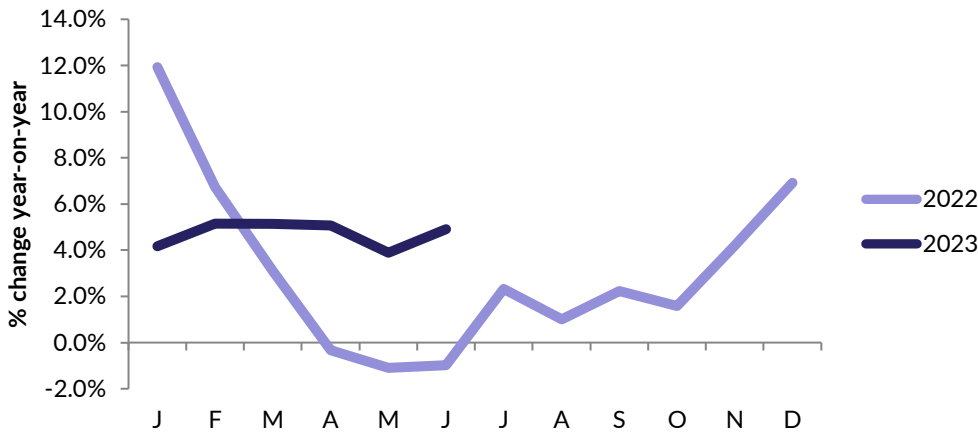


Food & Drink sector performance | Sarah Bradbury, CEO | IGD

“June was yet another month of very high growth in food and drink sales, driven largely by ongoing inflation. However, there are signs of better news, with volume sales on the cusp of registering a positive performance after being almost permanently negative for the last two years. This was almost certainly underpinned by the record good weather last month.

“The hot weather in June also helped lift people’s spirits, with IGD’s Shopper Confidence Index improving to its highest level since December ’21. This filtered through to how shoppers feel about food prices, with 30% now expecting food prices to stay the same or decline in the next year, compared to 16% at the start of the year. Although we’re far from out of the woods, with 59% of those with a mortgage or rent saying they will have to cut back their spending further to absorb the increase in mortgage costs, compared to 46% in March ’23.”

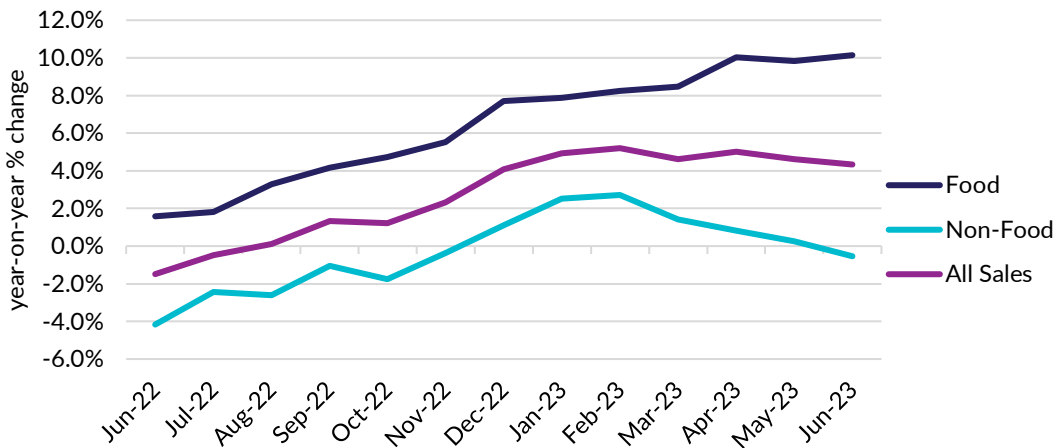
MONTHLY GROWTH OF TOTAL RETAIL SALES



	LFL	TOTAL
Jun 2023	4.2%	4.9%
Jun 2022	-1.3%	-1.0%
May 2023	3.7%	3.9%
3m average	4.3%	4.6%
12m average	3.6%	4.0%

Source: BRC-KPMG RSM (Includes Food data from IGD)

**LIKE-FOR-LIKE SALES:
3-MONTH AVERAGE % CHANGE YEAR-ON-YEAR**



3-MONTH AVERAGE	LFL	TOTAL
Food	10.1%	9.8%
Non-food	-0.5%	0.3%
All Sales	4.3%	4.6%

Source: BRC-KPMG RSM (Includes Food data from IGD)

Note: Like-for-like has been measured EXCLUDING temporarily closed stores due to COVID-19 but including Online sales

OVERVIEW

Following May's slowdown in retail sales, June saw a rebound to a similar level to that seen in the previous few months, with 4.9% on a Total basis. This return to form is encouraging for retailers, as there was a considerable level of consternation heading into the summer as to whether sales would tail off for seasonal goods. Thankfully, the return of hot weather for the majority of the month encouraged people to visit the shops and splash out.

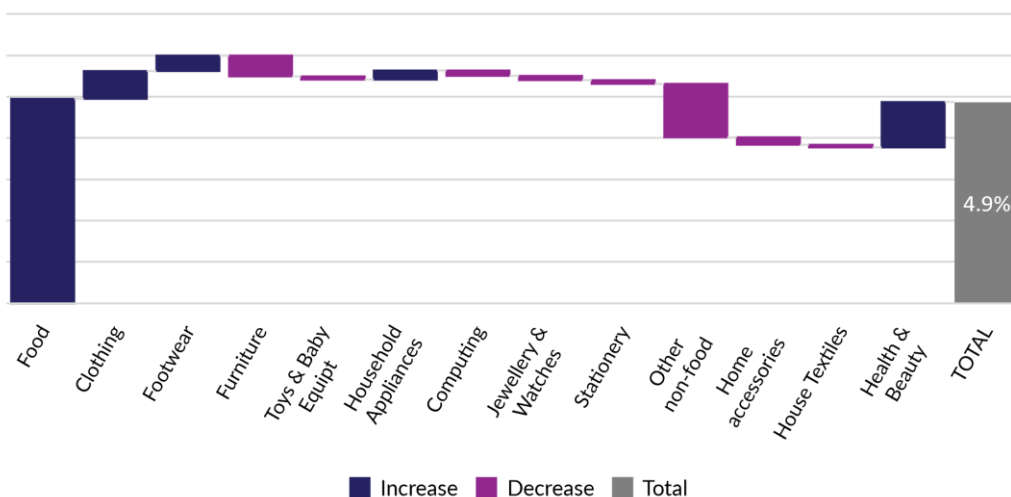
Food sales growth accelerated back to 9.8% for the three months to June, following a slowdown last month. Interestingly, this increase coincided with price inflation easing further from its peak in April. The BRC-NielsenIQ Shop Price Index recorded food inflation at 14.6% for June, which was the lowest since February. This reinforces the evidence of a significant increase in demand for the month, which was largely driven by people looking to make the most of the good weather for the first three weeks of the month, especially for the Father's Day weekend.

On the Non-Food side of the consumer spending equation, June saw a further constriction of spending with growth slowing to a seven-month low of 0.3% on a Total basis. Of the categories that comprise Non-Food, it was another month of strong fashion sales, with Clothing, Footwear and beauty products the standout performers of the month. This was particularly pronounced in stores, as people enjoyed the return of hot summery weather. The arrival of the mis-season sales also gave a welcome boost to fashion, with the spring and summer lines reportedly selling particularly well. However, it was not all plane sailing when the discounts were rolled out, as a variety of retailers commented that although the discounted goods were in high demand, there was less of a halo effect spreading to other accompanying items that remained at full price. This is testament to the ever more price-sensitive consumers have become in recent months, as attention is very much focussed on immediate need on more essential items, either for the warm weather here or for summer holidays abroad. As for Household Appliances, which up until this point in the year had been boosted by energy-saving heating and cooking goods, the perennial peak week for sales of fans and air-conditioning units duly arrived mid-month. However, as we had experienced some high temperatures in the weeks running up to the over 30° day, sales were said to be more spread out across the month this year in comparison to those gone by.

On the downside, there remains considerable headwinds faced by the retail industry, as people's spending power remains constrained. This effected the categories that encompass goods with higher price tags, such as Furniture and Computing, which were also negatively impacted by their strong sales during the pandemic – so do not need replacing yet. The increase in price-sensitivity across the market has impacted online sales in particular, as people are able to bargain-hunt online easier than in the shops. This has led to yet another month of declining sales for the channel.

James Hardiman, Senior Analyst

JUN: CONTRIBUTION TO TOTAL SALES GROWTH BY CATEGORY



Source: BRC-KMG RSM (Includes Food data from IGD); in this chart, purple blocks represent negative contributions

BRC – KPMG RETAIL SALES MONITOR JUNE 2023

Covering the five weeks 28 May – 1 July 2023

FOOD

TOTAL SALES ROLLING AVERAGE GROWTH: FOOD

TOTAL SALES ROLLING AVERAGE GROWTH: NON-FOOD



Detailed weekly data by category is available only to retailers that contribute sales data to the Retail Sales Monitor.

If you would like to participate in the Retail Sales Monitor, please contact:

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tina.spooner@brc.org.uk

“

The King's Coronation helped to boost Food sales at the beginning of the month

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MONTHLY RETAIL SALES: % CHANGE YEAR-ON-YEAR

MONTH	2021		2022		2023	
	LFL (1)	TOTAL	LFL	TOTAL	LFL	TOTAL
January	7.1	-1.3	8.1	11.9	3.9	4.2
February	9.5	1.0	2.7	6.7	4.9	5.2
March	20.3	13.9	-0.4	3.1	4.9	5.1
April	39.6	51.1	-1.7	-0.3	5.2	5.1
May	18.5	28.4	-1.5	-1.1	3.7	3.9
June	6.7	10.4	-1.3	-1.0	4.2	4.9
July	4.7	6.4	1.6	2.3		
August	1.5	3.0	0.5	1.0		
September	-0.6	0.6	1.8	2.2		
October	-0.2	1.3	1.2	1.6		
November	1.8	5.0	4.1	4.2		
December	0.6	2.1	6.5	6.9		
Jan-Jun average	19.1	18.4	1.4	4.0	4.5	4.7
Jan-Dec average	8.9	9.9	1.8	3.1	n/a	n/a

Source: BRC-KPMG RSM (Includes Food data from IGD)

FOOD/NON-FOOD QUARTERLY ANALYSIS: 3-MONTH AVERAGE % CHANGE YEAR-ON-YEAR

3-MONTH AVERAGE	LIKE-FOR-LIKE (1)			TOTAL		
	Food	Non-Food	All Sales	Food	Non-Food	All Sales
Apr – Jun 22	1.6	-4.2	-1.5	2.2	-3.3	-0.8
May - Jul	1.8	-2.5	-0.5	2.3	-2.0	0.0
Jun – Aug	3.3	-2.6	0.1	3.8	-2.0	0.7
Jul - Sep	4.2	-1.1	1.3	4.6	-0.4	1.9
Aug – Oct	4.7	-1.8	1.2	5.1	-1.2	1.7
Sep – Nov	5.5	-0.4	2.3	5.8	0.0	2.6
Oct – Dec	7.7	1.1	4.1	7.9	1.5	4.4
Nov 22 – Jan 23	7.9	2.5	4.9	8.0	2.9	5.2
Dec 22 – Feb 23	8.2	2.7	5.2	8.3	3.2	5.5
Jan - Mar	8.5	1.4	4.6	8.5	1.8	4.8
Feb - Apr	10.0	0.8	5.0	9.8	1.2	5.1
Mar - May	9.8	0.2	4.6	9.6	0.5	4.7
Apr - Jun	10.1	-0.5	4.3	9.8	0.3	4.6

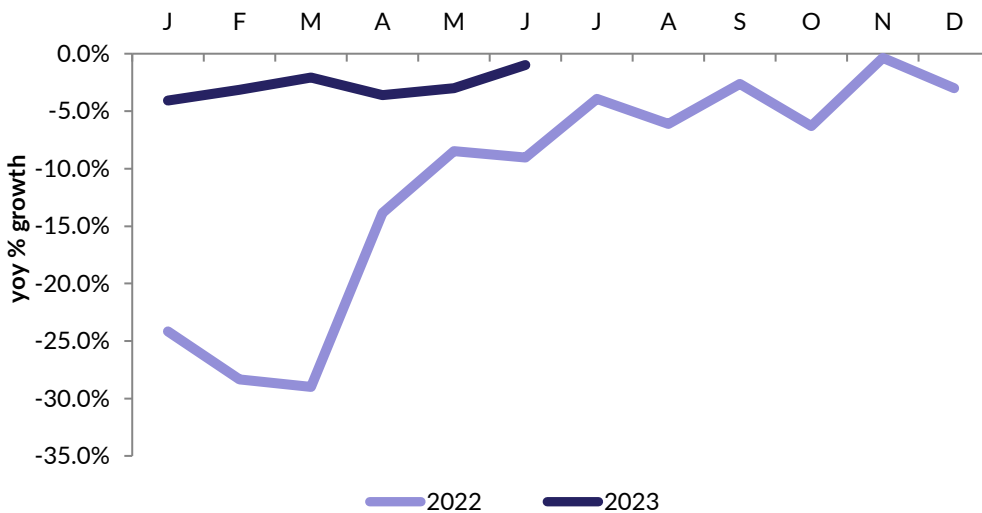
Source: BRC-KPMG RSM (Includes Food data from IGD)

(1) From April 2020, the LFL guidance was to exclude stores that were forced to close temporarily due to COVID-19 measures.

BRC – KPMG RETAIL SALES MONITOR JUNE 2023

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ONLINE SALES GROWTH (NON-FOOD): % CHANGE YEAR-ON-YEAR

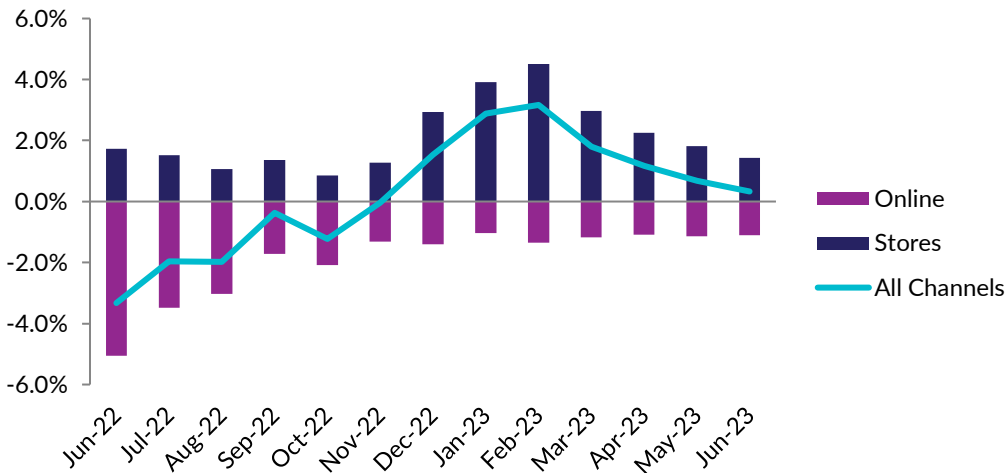


NON-FOOD GROWTH	ONLINE*	UK TOTAL
Jun 2023	-1.0%	n/d
Jun 2022	-9.1%	n/d
May 2023	-3.0%	n/d
3m avg	-2.4%	0.3%
12m avg	-3.2%	0.8%

n/d: cannot be disclosed

Source: BRC-KPMG RSM: Online: online sales of non-food goods (including mail and phone orders)

3-MONTH AVERAGE: CONTRIBUTION TO NON-FOOD SALES GROWTH BY CHANNEL % CHANGE YEAR-ON-YEAR



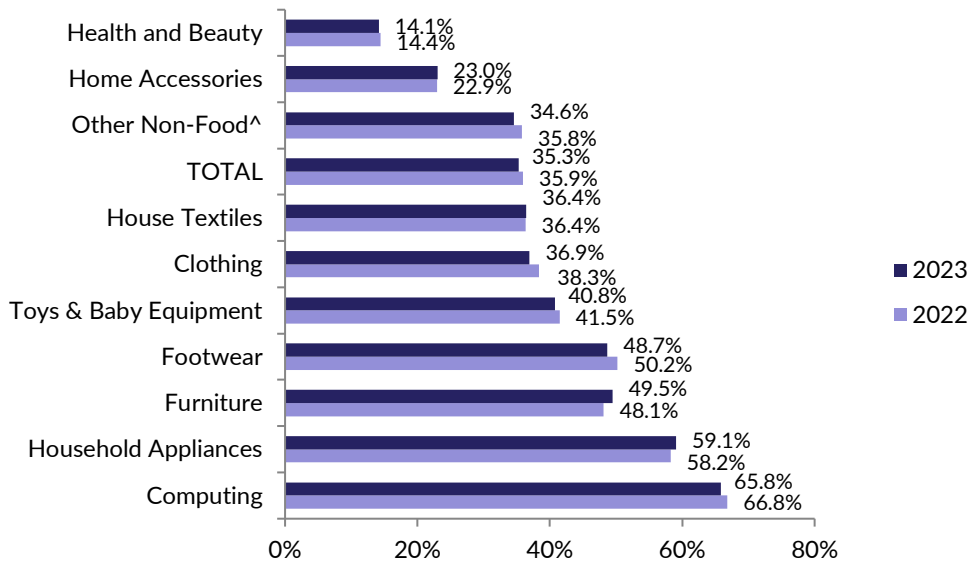
NON-FOOD IN-STORE % CHANGE YEAR-ON-YEAR		
	LFL	TOTAL
Apr - Jun 23	0.6%	2.0%
Apr - Jun 22	0.6%	2.2%
Mar - May 23	2.2%	2.9%
12m avg	2.7%	3.7%

Source: BRC-KPMG RSM

BRC – KPMG RETAIL SALES MONITOR JUNE 2023

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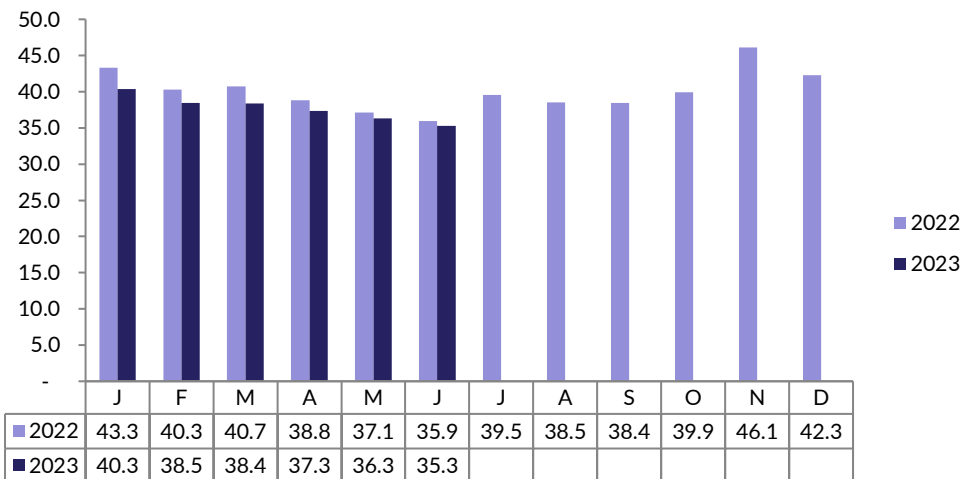
JUN: ONLINE PENETRATION RANKINGS BY CATEGORY



Source: BRC-KPMG RSM

Note: Online sales in the Monitor include all distance sales, notably mail and phone orders

TOTAL NON-FOOD SALES: WEIGHTED ONLINE PENETRATION



NON-FOOD ONLINE PENETRATION RATE ONLINE AS % OF TOTAL	
Jun 2023	35.3%
Jun 2022	35.9%
May 2023	36.3%
3m average	36.2%
12m average	39.2%

Source: BRC-KPMG RSM

BRC – KPMG RETAIL SALES MONITOR JUNE 2023

Covering the five weeks 28 May – 1 July 2023

NON-FOOD ONLINE RETAIL SALES

MONTH	TOTAL GROWTH % CHANGE YOY		ONLINE PENETRATION AS % OF TOTAL SALES		CONTRIBUTION TO TOTAL NON-FOOD GROWTH (PERCENTAGE POINT)	
	MONTHLY*	3M AVERAGE*	MONTHLY	3M AVERAGE	MONTHLY	3M AVERAGE
Jun 2022	-9.1	-10.3	35.9	37.2	-4.4	-5.1
Jul	-3.9	-7.3	39.5	37.4	-1.7	-3.5
Aug	-6.1	-6.6	38.5	37.8	-2.7	-3.0
Sep	-2.6	-4.1	38.4	38.8	-1.0	-1.7
Oct	-6.3	-4.8	39.9	38.9	-2.9	-2.1
Nov	-0.4	-3.1	46.1	41.3	-0.2	-1.3
Dec	-3.0	-3.2	42.3	42.8	-1.2	-1.4
Jan 2023	-3.6	-2.4	41.8	43.3	-1.5	-1.0
Feb	-3.1	-3.2	38.5	41.0	-1.2	-1.3
Mar	-2.1	-3.0	38.4	39.0	-0.7	-1.2
Apr	-3.6	-2.9	37.3	38.1	-1.4	-1.1
May	-3.0	-2.8	36.3	37.4	0.0	-0.7
Jun	-1.0	-2.4	35.3	36.2	-0.6	-1.1

Source: BRC-KPMG Retail Sales Monitor. * 2020 ws a 53-week year in the ONS calendar: as a result of the extra week in January 2020, the comparable 2019 performances cited here may differ from those published last year, due to the one-week shift in the comparison

NON-FOOD STORE THREE-MONTH AVERAGE RETAIL SALES YEAR-ON-YEAR CHANGE

THREE MONTHS ENDING	TOTAL % CHANGE YOY	LFL % CHANGE YOY
Jun 2022	2.2%	0.6%
Jul	2.0%	1.2%
Aug	1.4%	0.3%
Sep	2.2%	1.1%
Oct	1.3%	0.4%
Nov	2.2%	1.6%
Dec	5.3%	4.5%
Jan 2023	7.2%	6.5%
Feb	8.1%	7.3%
Mar	5.2%	4.6%
Apr	3.9%	3.3%
May	2.7%	2.2%
Jun	2.0%	0.6%

Source: BRC-KPMG Retail Sales Monitor

BRC – KPMG RETAIL SALES MONITOR JUNE 2023

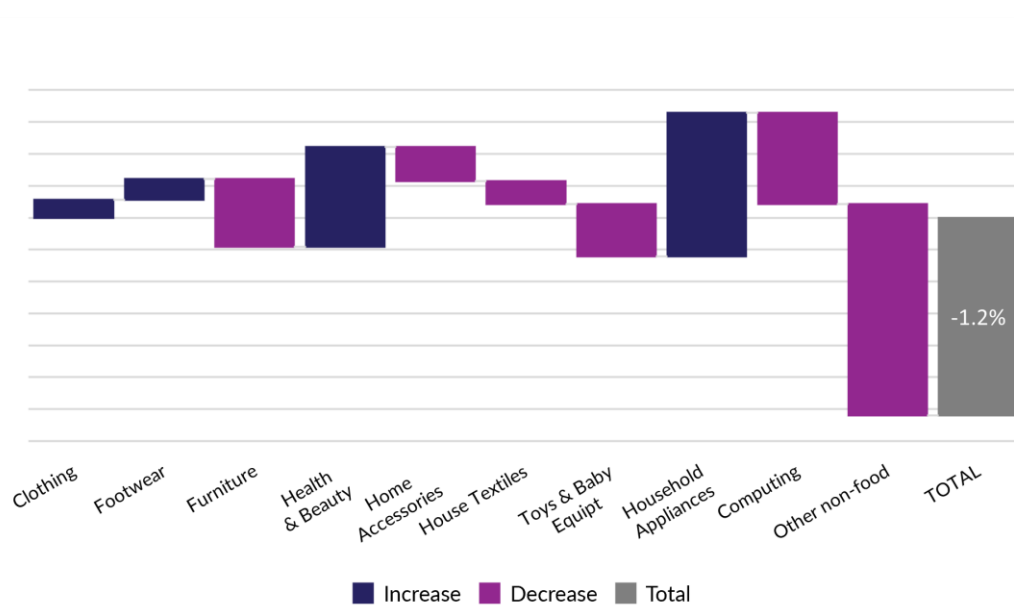
Covering the five weeks 28 May – 1 July 2023

SECTOR PERFORMANCE: ONLINE SALES GROWTH

CATEGORY	SALES UP / DOWN JUN 2023	GROWTH RANKINGS				
		JUN 2023	MAY 2023	JUN 2022	3M AVG	12M AVG
Household Appliances	▲	1	2	7	1	1
Health & Beauty	▲	2	1	3	2	4
Footwear	▲	3	4	2	3	2
Clothing	▲	4	7	1	6	5
House Textiles	▼	5	9	8	7	6
Toys & Baby Equipment	▼	6	5	4	5	7
Furniture	▼	7	3	6	4	3
Home Accessories	▼	8	10	9	9	10
Computing	▼	9	8	5	10	8
Other Non-Food	▼	10	6	10	8	9

Source: BRC-KPMG RSM

JUN: CONTRIBUTION TO NON-FOOD ONLINE SALES GROWTH BY CATEGORY



Source: BRC-KPMG RSM

BRC – KPMG RETAIL SALES MONITOR JUNE 2023

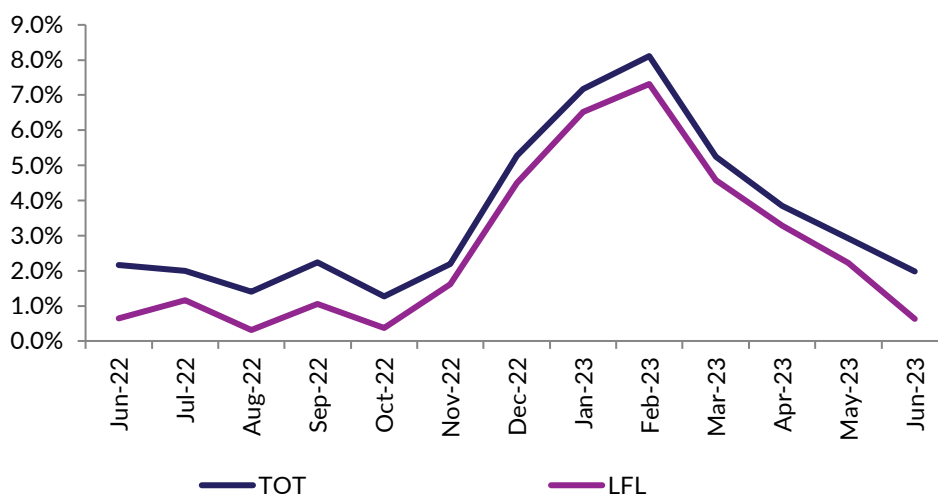
Covering the five weeks 28 May – 1 July 2023

SECTOR PERFORMANCE: STORE TOTAL SALES GROWTH

CATEGORY	SALES UP / DOWN JUN 2023	GROWTH RANKINGS				
		JUN 2023	MAY 2023	JUN 2022	3M AVG	12M AVG
Health & Beauty	▲	1	1	3	1	2
Footwear	▲	2	3	1	3	1
Household Appliances	▲	3	2	7	2	3
Clothing	▲	4	4	4	4	5
Toys & Baby Equipment	▼	5	9	6	6	6
House Textiles	▼	6	10	8	9	7
Computing	▼	7	7	5	8	9
Other Non-Food	▼	8	5	2	5	4
Home Accessories	▼	9	8	9	10	8
Furniture	▼	10	6	10	7	10

Source: BRC-KPMG RSM

NON-FOOD STORE THREE-MONTH AVERAGE RETAIL SALES YEAR-ON-YEAR CHANGE (%)



Source: BRC-KPMG RSM



BRC – KPMG RETAIL SALES MONITOR JUNE 2023

Covering the five weeks 28 May – 1 July 2023

NOTES

The BRC-KPMG Retail Sales Monitor measures changes in the actual value (including VAT) of retail sales, excluding automotive fuel. The Monitor measures the value of spending and hence does not adjust for price or VAT changes. If prices are rising, sales volumes will increase by less than sales values. In times of price deflation, sales volumes will increase by more than sales values.

Retailers report the value of their sales for the current period and the equivalent period a year ago. These figures are reported both in total and on a 'like-for-like' basis. Total sales growth is the percentage change in the value of all sales compared to the same period a year earlier. The total sales measure is used to assess market level trends in retail sales. It is a guide to the growth of the whole retail industry, or how much consumers in total are spending in retail – retail spending represents approximately one-third of consumer spending. It is this measure that is often used by economists. Many retailers include distance sales as a component of total sales.

'Like-for-like' sales growth (LFL) is the percentage change in the value of comparable sales compared to the same period a year earlier. It excludes any spending in stores that opened or closed in the intervening year, thus stripping out the effect on sales of changes in floorspace. Many retailers include distance sales as a component of like-for-like comparable sales. The like-for-like measure is often used by retailers, the city and analysts to assess the performance of individual companies, retail sectors and the industry overall, without the distorting effect of changes in floorspace.

From April 2020, the LFL guidance was to exclude stores that were forced to close temporarily due to **COVID-19** measures from both the current period and the equivalent period a year ago. Online was considered open all the time. The majority of retailers could comply but some couldn't exclude temporarily closed stores from their LFL figures.

Online (including mail order and phone) sales of non-food are transactions which take place over the internet, or via mail order or phone. Online sales growth is the percentage change in the value of online sales compared to those in the same period a year earlier. It is a guide to the growth of sales made by these non-store channels. It should be noted that online sales are still a small proportion of total UK retail sales.

Penetration is the proportion of sales attributed to the online channel (including mail order and phone). Penetrations are calculated category by category as online sales submitted by participating retailers relative to total sales those retailers submit to the BRC-KPMG Retail Sales Monitor. Participants who do not sell online (or through non-store channels) are included but participants who do sell online but do not submit their online sales are excluded.

The responses provided by retailers within each sales category are weighted (based on weightings derived from the ONS Family Spending survey) to reflect the contribution of each category to total retail sales, thus making it representative of UK retail sales as a whole. Category weightings for Online and In-Store growth and contribution to growth are derived from the UK weightings. The methodology used for weightings is revised from time to time. Because the figures compare sales each month with the comparable period last year, a seasonal adjustment is not made. However, changes in the timing of Bank Holidays and Easter can create distortions, which should be considered in the interpretation of the data.

As well as receiving sales value direct from the retailers in the scheme the BRC-KPMG Retail Sales Monitor also receives food and drink sales value data from the IGD's Market Track Scheme.

In its role as sponsor of the BRC-KPMG Retail Sales Monitor, KPMG is responsible for the aggregation of the retail sales data provided by the retailers on a weekly basis. This data consists of the relevant current week's sales data and comparative sales figures for the same period in the prior year. The aggregation has been performed by KPMG on data for periods following 2 April 2000 and equivalent prior periods. The accuracy of the data is entirely the responsibility of the retailers providing it. The sponsorship role has been performed by KPMG since 10 April 2000 and the same for the aggregation of comparative sales figures for the period from 2 April 2000 it is not responsible for the aggregation of any data included in this Monitor relating to any period prior to 2 April 2000.

The commentary from KPMG is intended to be of general interest to readers but is not advice or a recommendation and should not be relied upon without first taking professional advice. Anyone choosing to rely on it does so at his or her own risk. To the fullest extent permitted by law, KPMG will accept no responsibility or liability in connection with its sponsorship of the Monitor and its aggregation work to any party other than the BRC.



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The July 2023 Monitor, covering the four weeks 2 – 29 July 2023, will be released at 00.01am on Tuesday 8 August 2023. The data is collected and collated for the BRC by KPMG.

The British Retail Consortium (BRC) is the UK's leading retail trade association. It represents the full range of retailers, large and small, multiples and independents, food and non-food, online and store based.

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**FOOD DATA SUPPLIED BY**

IGD is an education and training charity for the food and grocery industry that undertakes research for the benefit of the public. Our in-depth understanding of shoppers, retailing and supply chains is supported by our knowledge of broader topics affecting the industry – health, nutrition, sustainability and economics among them. This gives us unparalleled insight that can help identify opportunities to improve performance and tackle business challenges. Our reach is global, with experts based in the UK, Singapore and North America. We invest the net income we make from selling our expertise back into our charitable activities.



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**Detailed weekly data by category
is available to retailers who contribute to the monitor:**

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