Strictly Embargoed until 00.01 hrs – Tuesday 9th January 2024

BRC – KPMG RETAIL SALES MONITOR

DECEMBER 2023

COVERING FIVE WEEKS 26TH NOVEMBER – 30TH DECEMBER 2023

LATE CHRISTMAS SPENDING NOT ENOUGH FOR FESTIVE CHEER

% CHANGE YEAR-ON-YEAR		TOTAL	LIKE-FOR-LIKE
UK RETAIL SALES	▼	+1.7%	+1.9%
FOOD *(3-MTH)*	▼	+6.8%	+6.8%
NON-FOOD *(3-MTH)*	▼	-1.5%	-1.7%
NON-FOOD – STORE *(3-MTH)*	▼	-1.3%	-1.6%
NON-FOOD – ONLINE	▲	-0.8%	N/A

Helen Dickinson OBE, Chief Executive | British Retail Consortium

"The festive period failed to make amends for a challenging year of sluggish retail sales growth, as weak consumer confidence continued to hold back spending. The post-Christmas sales were unsuccessful in enticing spend in areas such as furniture and homeware, with households remaining cautious about making larger purchases. Sales saw a slight uptick in the week leading up to Christmas as consumers scrambled to purchase last minute gifts, particularly online, due to the wet weather. In gifting, beauty products were the standout performer, and toys and gaming also sold well.

"2024 looks to be another challenging year for retailers and their customers, and spending will continue to be constrained by high living costs. Retailers will also have to juggle various cost pressures, including the rise to business rates this April. This will be compounded by other emerging issues, such as the disruption to shipments from the Far East via the Red Sea. Political parties must consider this backdrop when they set out their plans for retail in manifestos so they can help support the industry to grow, invest, and serve customers."

Paul Martin, UK Head of Retail | KPMG

"The festive feel-good factor was lacking this year as many retailers faced a disappointing December with sales growth only up 1.7% on 2022.

"Christmas shoppers ditched clothing, jewellery and technology gifts, opting for beauty, health and personal care products, which, along with food and drink drove festive sales this year. Online sales remained in negative territory, although the decline was weaker than seen in recent months with sales down nearly 1% on last year.

"Retailers rolled out promotions that lasted longer and were deeper than last year and higher promotional activity amongst supermarkets saw grocery price inflation fall at its fastest rate on record in December. Whilst promotions are margin dilutive, retailers have done some great work in re-engineering supply chains to make them more cost effective, which has given more room to push ahead with discounting, and given the current environment, this is likely to stay with us for a while.

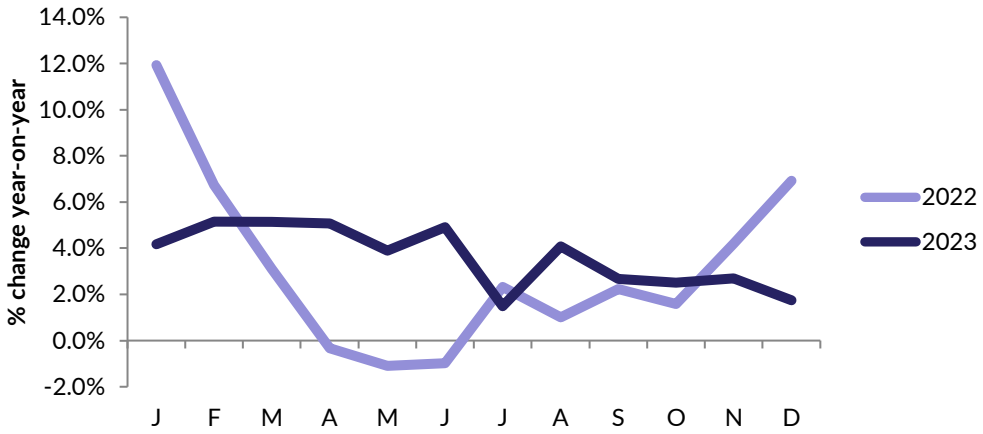
"Despite falls in inflation, an upcoming cut in national insurance rates, and some consumers having more money in their pockets this Christmas than last, the constant drip of economic challenges they've faced over the last two years has finally come home to roost. As we start a new year, cautious consumers are battening down the hatches and retailers can expect to see significant downward pressures on demand in the opening months of this year, which will ease off by Spring if the economic conditions continue to improve and confidence slowly returns."

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

"We leave 2023 on an encouraging note for food and grocery as December sales saw an increase on 2022. While these were down by a month-on-month comparison – continuing the trend seen in October and November – this is likely caused by falling food and drink inflation which has dropped for the eighth consecutive month. Volume increased slightly vs. December 2022, with Christmas week seeing the largest weekly year-on-year volume increase since April, likely helped by retailers cutting the prices of essential Christmas dinner vegetables.

"December was a quieter month in terms of news affecting shoppers, and as a result IGD's Shopper Confidence Index score remained at -8, unchanged from November and up by 13 points compared with December 2022. This is a little lower than the longer-term pre-crisis average of -5, but the joint highest since August 2021 (-4)."

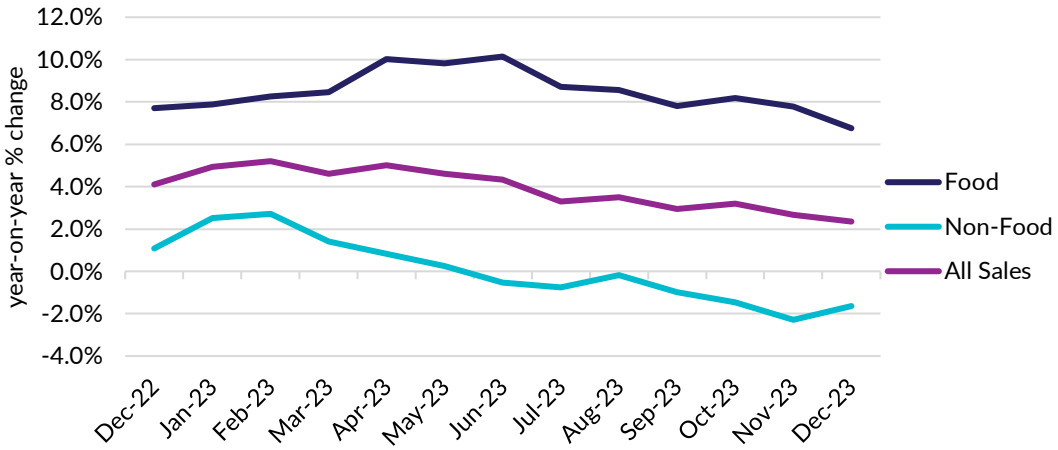
MONTHLY GROWTH OF TOTAL RETAIL SALES



	LFL	TOTAL
Dec 2023	1.9%	1.7%
Dec 2022	6.5%	6.9%
Nov 2023	2.6%	2.7%
3m average	2.4%	2.3%
12m average	3.6%	3.6%

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	6.8%	6.8%
Non-food	-1.7%	-1.5%
All Sales	2.4%	2.3%

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

December was the culmination of the festive period, which is the most important time of the year for many retailers. Therefore, the slowdown to 1.7% on a Total basis was a very disappointing result, as it was the lowest growth seen since July. Looking back at the year overall, the average growth of 3.6% for 2023 was not such a bad result, but as this was primarily inflation driven it represents a fall in volumes.

Christmas is of course the culinary highlight of the year for many households, with luxurious food and drinks the order of the day across the country. Food sales recorded growth of 6.8% for the three months to December, which was a significant slowdown from the previous month and from its peak in June. This was a result of the ever-slowing food price inflation rate, which has been a determining factor in the fortunes of this side of consumer spending throughout the year.

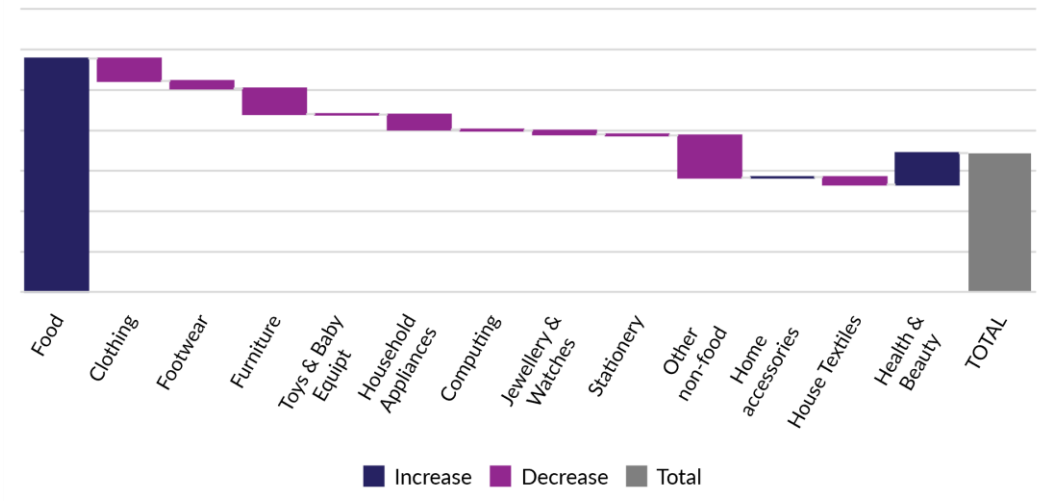
On the Non-Food side, people were once again clearly reigning in their spending in December, despite the importance of Christmas. Non-Food sales remained in decline, with -1.5% for the three months to December, which was broadly in line with the previous month. The month started well, with Cyber Monday driving sales considerably as people were on the hunt for a bargain for gifting options. However, this was not to last, as the following couple of weeks saw people avoid spending until the last minute. The week running up to Christmas saw a strong turnaround, as the much-anticipated glut of Christmas spending finally arrived. Traditional gifting products were in high demand for that week, as cosmetics and fragrances were the standout performers, accompanied by Gaming consoles and personal care products. However, this was nowhere near enough to compensate retailers for the lack of demand in the preceding weeks. Many households restricted the number of gifts bought to only their nearest and dearest in order to keep costs as low as possible during this prolonged cost-of-living crisis. Homewares and larger electrical appliances failed to attract much attention throughout the month, although for the latter this was in comparison to a particularly strong period in the preceding year.

Interestingly, the fact that Christmas day was a day later this year afforded people an extra day in the Christmas week to get good delivered rather than having to visit the shops for last minute purchases. This naturally drove people towards online shopping, which helped the channel to its best performance since November 2022, albeit remaining in decline at -0.8%.

Now that the period of highest inflation appears to be behind us, it may be easy to assume that retailers' fortunes will improve in the beginning of 2024. However, storm clouds are looming on the horizon, particularly for non-food retailers that source goods from the Far East. The cause of this is the Middle East crisis, which has spread to the Red Sea, resulting in the diversion of many container ships around the Cape of Good Hope. Not only will this increase delivery times of goods to retailers but will in all likelihood significantly impact shipping costs overall in the near term.

James Hardiman, Senior Analyst

DEC: CONTRIBUTION TO TOTAL SALES GROWTH BY CATEGORY



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

Covering the five weeks 26 November – 30 December 2023

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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BRC – KPMG RETAIL SALES MONITOR DECEMBER 2023

Covering the five weeks 26 November – 30 December 2023

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	1.8	1.5
August	1.5	3.0	0.5	1.0	4.3	4.1
September	-0.6	0.6	1.8	2.2	2.8	2.7
October	-0.2	1.3	1.2	1.6	2.6	2.5
November	1.8	5.0	4.1	4.2	2.6	2.7
December	0.6	2.1	6.5	6.9	1.9	1.7
Jan-Dec average	8.9	9.9	1.8	3.1	3.6	3.6

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

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

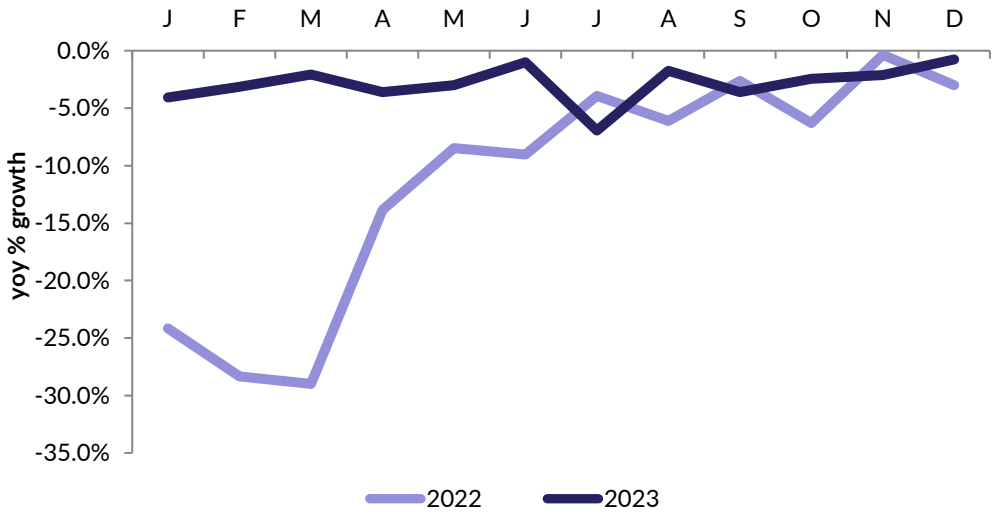
3-MONTH AVERAGE	LIKE-FOR-LIKE			TOTAL		
	Food	Non-Food	All Sales	Food	Non-Food	All Sales
Oct – Dec 22	7.7	1.1	4.1	7.9	1.5	4.4
Nov 22 – Jan 23	7.9	2.5	4.9	8.0	2.9	5.2
Dec 22 – Feb 23	8.2	2.7	5.2	8.3	3.2	5.5
Jan - Mar	8.5	1.4	4.6	8.5	1.8	4.8
Feb - Apr	10.0	0.8	5.0	9.8	1.2	5.1
Mar - May	9.8	0.2	4.6	9.6	0.5	4.7
Apr - Jun	10.1	-0.5	4.3	9.8	0.3	4.6
May – Jul	8.7	-0.8	3.3	8.4	-0.5	3.5
Jun – Aug	8.6	-0.2	3.5	8.2	-0.2	3.6
Jul - Sep	7.8	-1.0	2.9	7.4	-1.2	2.7
Aug – Oct	8.2	-1.5	3.2	7.9	-1.0	3.1
Sep – Nov	7.8	-2.3	2.7	7.6	-1.6	2.6
Oct – Dec 23	6.8	-1.7	2.4	6.8	-1.5	2.3

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

BRC – KPMG RETAIL SALES MONITOR DECEMBER 2023

Covering the five weeks 26 November – 30 December 2023

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

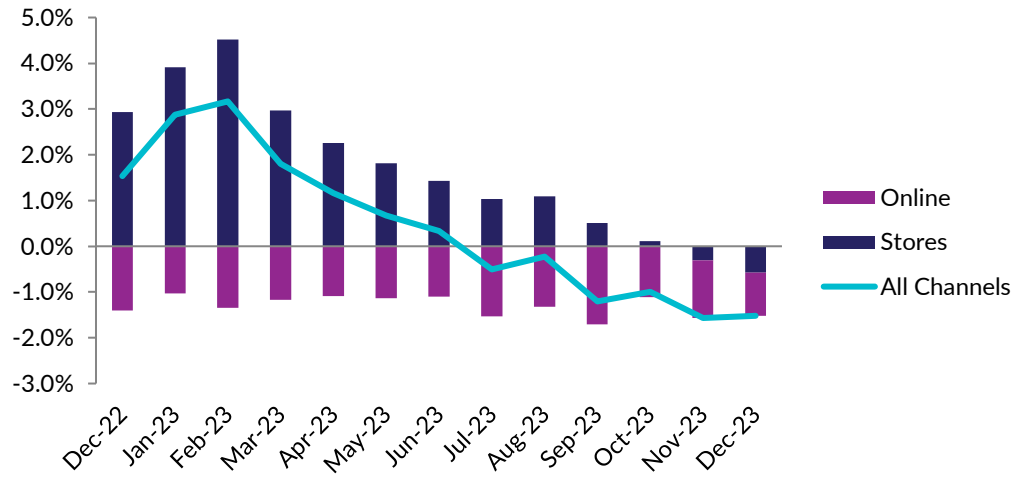


NON-FOOD GROWTH	ONLINE*	UK TOTAL
Dec 2023	-0.8%	n/d
Dec 2022	-3.0%	n/d
Nov 2023	-2.1%	n/d
3m avg	-1.7%	-1.5%
12m avg	-2.8%	-0.1%

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



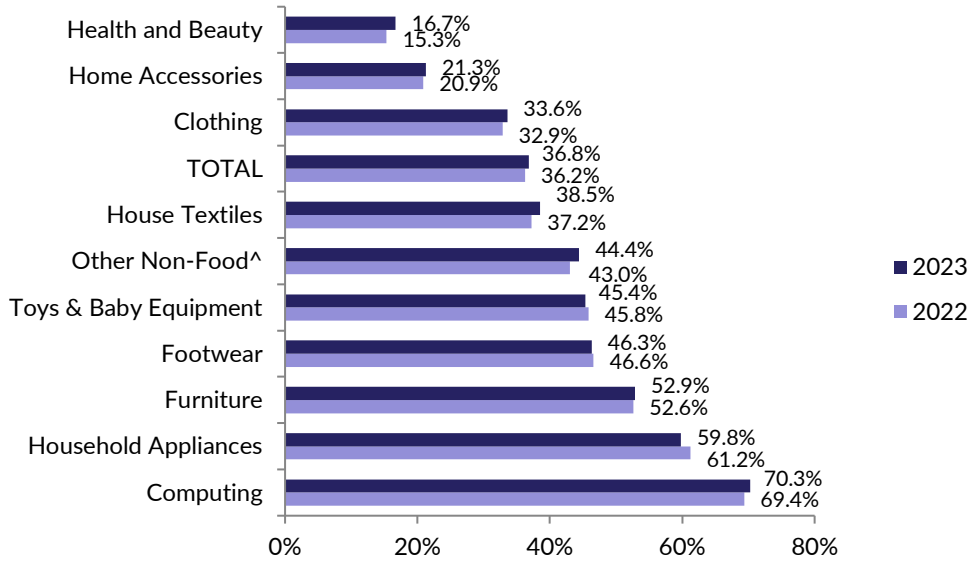
NON-FOOD IN-STORE % CHANGE YEAR-ON-YEAR		
	LFL	TOTAL
Oct - Dec 23	-1.6%	-1.3%
Oct - Dec 22	4.5%	5.3%
Sep - Nov 23	-2.0%	-0.8%
12m avg	1.1%	1.6%

Source: BRC-KPMG RSM

BRC – KPMG RETAIL SALES MONITOR DECEMBER 2023

Covering the five weeks 26 November – 30 December 2023

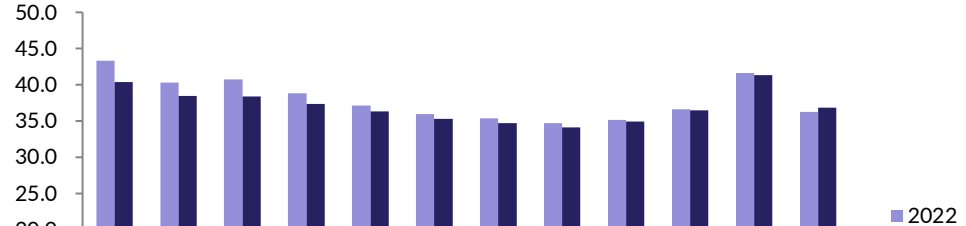
DEC: ONLINE PENETRATION RANKINGS BY CATEGORY



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



	J	F	M	A	M	J	J	A	S	O	N	D
2022	43.3	40.3	40.7	38.8	37.1	35.9	35.3	34.7	35.1	36.6	41.6	36.2
2023	40.3	38.5	38.4	37.3	36.3	35.3	34.7	34.1	34.9	36.5	41.4	36.8

NON-FOOD ONLINE PENETRATION RATE ONLINE AS % OF TOTAL	
Dec 2023	36.8%
Dec 2022	36.2%
Nov 2023	41.4%
3m average	38.1%
12m average	37.0%

Source: BRC-KPMG RSM

BRC – KPMG RETAIL SALES MONITOR DECEMBER 2023

Covering the five weeks 26 November – 30 December 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
Dec 2022	-3.0	-3.2	36.2	38.0	-1.2	-1.4
Jan 2023	-3.6	-2.4	40.3	39.2	-1.5	-1.0
Feb	-3.1	-3.2	38.5	38.2	-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
Jul	-6.9	-3.4	34.7	35.4	-2.9	-1.5
Aug	-1.7	-3.1	34.1	34.7	-0.7	-1.3
Sep	-3.6	-4.1	34.9	34.6	-1.6	-1.7
Oct	-2.5	-2.7	36.5	35.1	-0.9	-1.1
Nov	-2.1	-2.8	41.4	37.4	-1.1	-1.3
Dec	-0.8	-1.7	36.8	38.1	-0.8	-0.9

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
Dec 2022	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%
Jul	1.2%	0.8%
Aug	1.3%	1.4%
Sep	0.3%	0.7%
Oct	-0.1%	-0.8%
Nov	-0.8%	-2.0%
Dec	-1.3%	-1.6%

Source: BRC-KPMG Retail Sales Monitor

BRC – KPMG RETAIL SALES MONITOR DECEMBER 2023

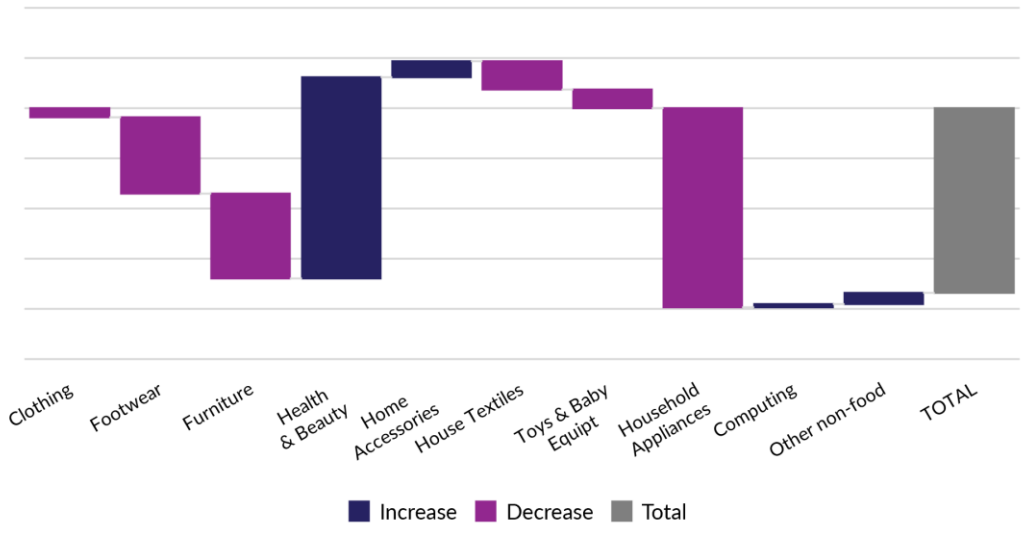
Covering the five weeks 26 November – 30 December 2023

SECTOR PERFORMANCE: ONLINE SALES GROWTH

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

Source: BRC-KPMG RSM

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



Source: BRC-KPMG RSM

BRC – KPMG RETAIL SALES MONITOR DECEMBER 2023

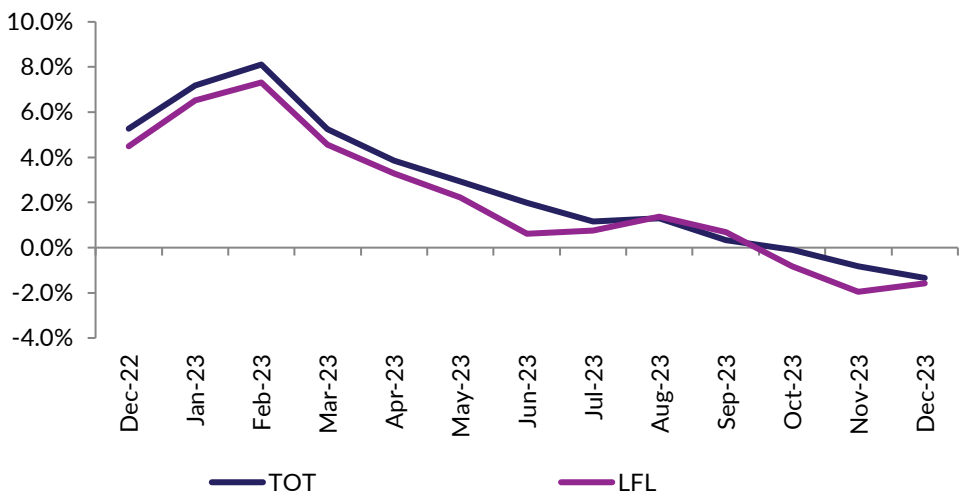
Covering the five weeks 26 November – 30 December 2023

SECTOR PERFORMANCE: STORE TOTAL SALES GROWTH

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

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 DECEMBER 2023

Covering the five weeks 26 November – 30 December 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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BRC – KPMG RETAIL SALES MONITOR DECEMBER 2023

Covering the five weeks 26 November – 30 December 2023

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The January 2024 Monitor, covering the four weeks 31 December 2023 – 27 January 2024, will be released at 00.01am on Tuesday 6 February 2024. 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.

SPONSORED AND ADMINISTERED BY

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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.

BRC – KPMG RETAIL SALES MONITOR DECEMBER 2023

Covering the five weeks 26 November – 30 December 2023

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

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