

Strictly Embargoed until 00.01 hrs - Tuesday 5th March 2024

BRC – KPMG RETAIL SALES MONITOR

FEBRUARY 2024

COVERING FOUR WEEKS 28TH JANUARY – 24TH FEBRUARY 2024

RAIN DELAYS RETAIL SPEND IN FEBRUARY

<i>% CHANGE YEAR-ON-YEAR</i>		TOTAL	LIKE-FOR-LIKE
UK RETAIL SALES	▼	+1.1%	+1.0%
FOOD (3-MTH)	▼	+6.0%	+5.8%
NON-FOOD (3-MTH)	▼	-2.5%	-2.9%
NON-FOOD – STORE (3-MTH)	▼	-2.3%	-2.9%
NON-FOOD – ONLINE	▲	-4.1%	N/A





Helen Dickinson OBE, Chief Executive | British Retail Consortium

“Consumer demand was dampened by the wettest February on record, translating into a poor month of retail sales growth. Not even Valentine’s Day lifted customers out of the gloom, and gifting products that typically sell well, like jewellery and watches, failed to deliver. On the sunnier side, rainy weather did brighten sales of toys, as parents looked for ways to occupy their children indoors.

“With consumer confidence and demand remaining weak, Government must find ways to stimulate the economy. Retailers have some Government induced cost hurdles to jump in the coming months including a £400m business rates rise based on last September’s 6.7% inflation rate. By using Wednesday’s Budget to reduce this, the Chancellor will lend a helping hand to much needed investment in businesses and local communities up and down the country.”



Linda Ellett, UK Head of Consumer Markets, Leisure & Retail | KPMG

“Cuts in national insurance rates designed to put more money in people’s pockets have so far failed to translate to a boost to consumer spend on the high street, with retail sales growth in February recording a limp 1.1%.

“Health and beauty categories continued to drive sales both on the high street and online, whilst sales of home and dining accessories received an unexpected boost last month, as consumers moved from buying clothes to buying cushions and cooking items. With food inflation slowing, sales of food and drink remained strong at 5%, but this was slightly down on January’s figures.

“As many households continue to adapt budgets to meet higher essential costs, including higher mortgage rates, consumer reluctance to get out there and start spending is likely to remain in the short term. With big increases in labour costs and business rates just weeks away, adding to an already stressed cost agenda for retailers, many will be pinning their hopes on some good news in the Chancellors’ Spring Budget this week to help kick start a spending revival on the high street. As inflation continues to slow over the coming months and with increases in minimum wage coming, there is some light at the end of the tunnel for weary households. However, the assumption that having more spending power will lead to more spending isn’t cutting through at the moment, and retailers will continue to face significant downward pressures on demand in the months to come.”

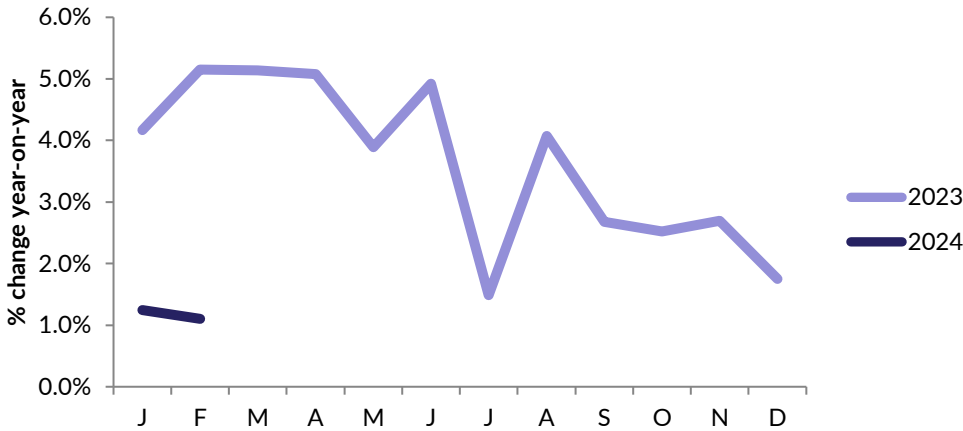


Food & Drink sector performance | Sarah Bradbury, CEO | IGD

“The UK grocery market saw sales and volumes both increasing from last year, with February the third month in a row where volumes were in year-on-year growth. However, although sales were also up on last year, they were down compared to the previous month. This is the fifth month in a row this has occurred, and the trend is likely to continue as inflation leaves the market.

“Following news that the UK entered a technical recession over the festive period, shoppers were feeling slightly less positive in February than they were in January. However, confidence levels didn’t slip as far as they could have, with the promise of lower energy bills on the horizon and indications that the recession could in fact already be over playing a role here.”

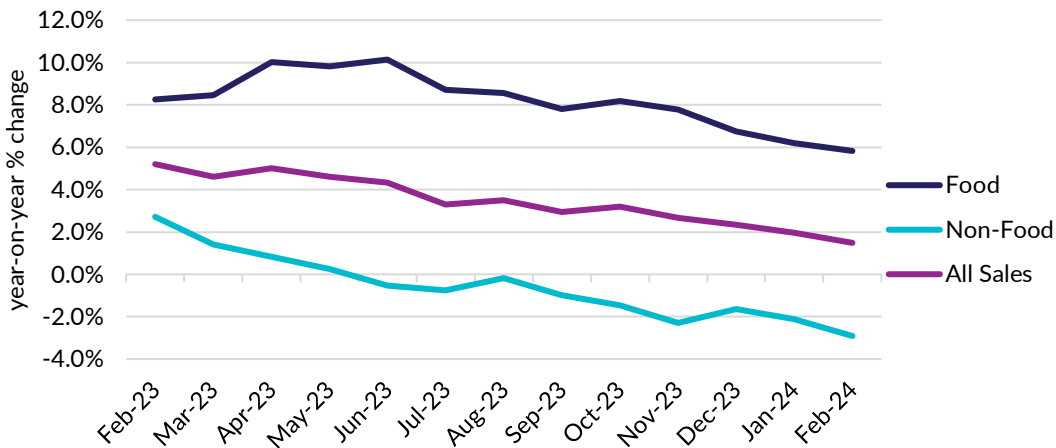
MONTHLY GROWTH OF TOTAL RETAIL SALES



	LFL	TOTAL
Feb 2024	1.0%	1.1%
Feb 2023	4.9%	5.2%
Jan 2024	1.4%	1.2%
3m average	1.5%	1.4%
12m average	3.1%	3.1%

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	5.8%	6.0%
Non-food	-2.9%	-2.5%
All Sales	1.5%	1.4%

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

February saw retail sales slow very slightly to 1.1% year on year, which was another disappointing result at the beginning of the year. As the weather was considerably wetter than average – reportedly 80% more – it is not a huge surprise that retailers were struggling to attract footfall in stores throughout the month. However, the half term break was said to perform better than the same point last year. The news of the technical recession at the end of the month also had a negative impact on demand.

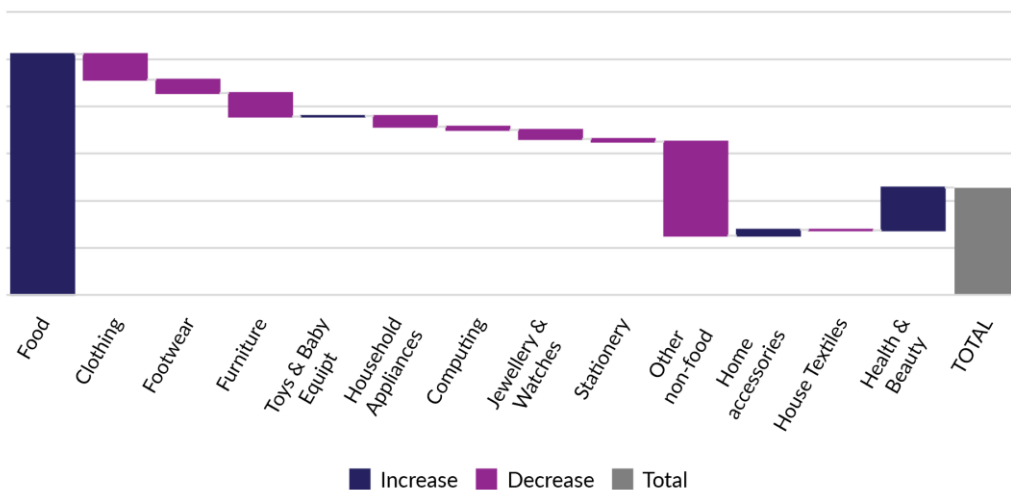
Once again, Food sales growth continued to slow, commensurate with the falling rate of price inflation, but remained significantly elevated from the pre-cost-of-living crisis levels. Valentine’s Day treats and meals for two were said to perform well in the run-up to the event, with many seemingly more inclined to enjoy the day at home as opposed to splashing out on restaurants or other entertainments.

On the Non-Food side of consumer spending, Valentine’s Day was said to attract some demand for flowers, cosmetics, and fragrances, with the latter two already being the standout performers of recent times. Despite the rain throughout the month, the half term break was said to provide a boost to homewares, with Home Accessories reportedly in demand when the schools broke up. The poor weather was also said to come to the benefit of Toy sales, as parents were searching for ways to entertain the children indoors for that week. As a result, Toys & Baby Equipment saw growth for the first time since September. This paints Non-Food in an overly-flattering light, however, as it fell further into decline in February, with the majority of its comprising categories in decline once again. It was again a case of larger items suffering the most, as the cost-of-living crisis still impacting consumer spending decisions heavily. As a result, Furniture, Household Appliances – particularly white goods – and Other Non-Food all saw significant declines in February. The poor weather also had a dampening effect on the fashion categories, with people not inclined to buy the new season ranges in such conditions.

While the crisis in the Middle East has not yet driven shipping costs as high as the previous blockage of the Suez canal, container ships being forced to go round the Cape of Good Hope is beginning to delay delivery of goods from the Far-East. While the majority of categories have not been negatively impacted by this as yet, Clothing & Footwear retailers have reported it is starting to delay the arrival of new season ranges, which of course are more susceptible to effect of delays on sales as they are more time-critical due to the seasonal nature of their sales.

James Hardiman, Senior Analyst

FEB: 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 FEBRUARY 2024

Covering the four weeks 28 January – 24 February 2024

**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 FEBRUARY 2024

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MONTHLY RETAIL SALES: % CHANGE YEAR-ON-YEAR

MONTH	2022		2023		2024	
	LFL	TOTAL	LFL	TOTAL	LFL	TOTAL
January	8.1	11.9	3.9	4.2	1.4	1.2
February	2.7	6.7	4.9	5.2	1.0	1.1
March	-0.4	3.1	4.9	5.1		
April	-1.7	-0.3	5.2	5.1		
May	-1.5	-1.1	3.7	3.9		
June	-1.3	-1.0	4.2	4.9		
July	1.6	2.3	1.8	1.5		
August	0.5	1.0	4.3	4.1		
September	1.8	2.2	2.8	2.7		
October	1.2	1.6	2.6	2.5		
November	4.1	4.2	2.6	2.7		
December	6.5	6.9	1.9	1.7		
Jan-Feb average	5.4	9.3	4.4	4.7	1.2	1.2
Jan-Dec average	1.8	3.1	3.6	3.6	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

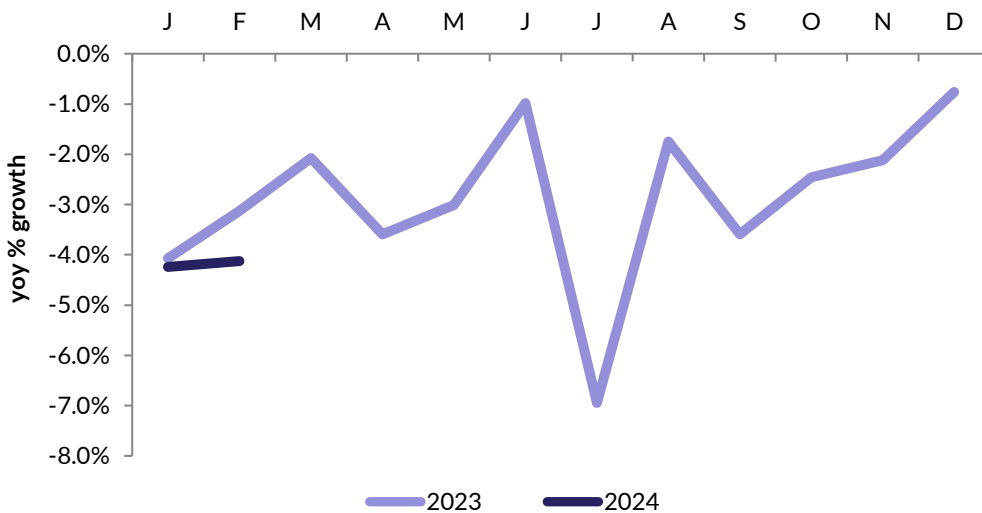
3-MONTH AVERAGE	LIKE-FOR-LIKE			TOTAL		
	Food	Non-Food	All Sales	Food	Non-Food	All Sales
Dec 22 – Feb 23	8.2	2.7	5.2	8.3	3.2	5.5
Jan – Mar	8.5	1.4	4.6	8.5	1.8	4.8
Feb – Apr	10.0	0.8	5.0	9.8	1.2	5.1
Mar – May	9.8	0.2	4.6	9.6	0.5	4.7
Apr – Jun	10.1	-0.5	4.3	9.8	0.3	4.6
May – Jul	8.7	-0.8	3.3	8.4	-0.5	3.5
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
Nov 23 – Jan 24	6.2	-2.1	2.0	6.3	-1.8	1.9
Dec 23 – Feb 24	5.8	-2.9	1.5	6.0	-2.5	1.4

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

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

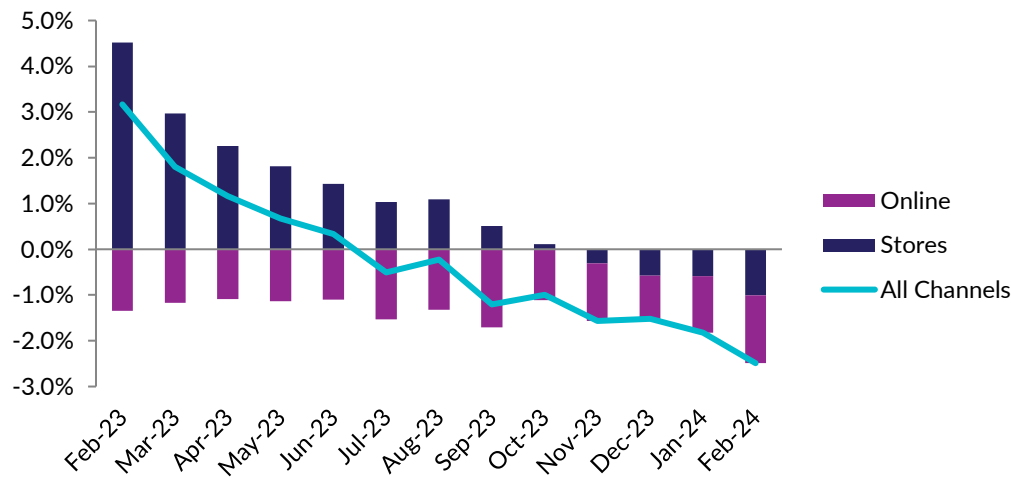


NON-FOOD GROWTH	ONLINE*	UK TOTAL
Feb 2024	-4.1%	n/d
Feb 2023	-3.1%	n/d
Jan 2024	-4.2%	n/d
3m avg	-2.9%	-2.5%
12m avg	-2.9%	-0.9%

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



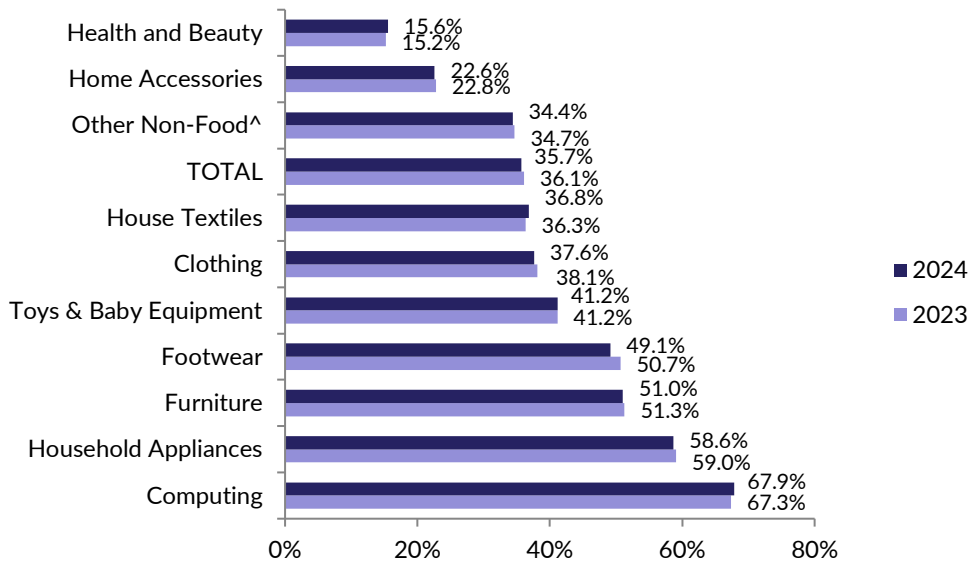
NON-FOOD IN-STORE % CHANGE YEAR-ON-YEAR		
	LFL	TOTAL
Dec 23 - Feb 24	-2.9%	-2.3%
Dec 22 - Feb 23	7.3%	8.1%
Nov 23 - Jan 24	-2.0%	-1.5%
12m avg	-0.3%	0.3%

Source: BRC-KPMG RSM

BRC – KPMG RETAIL SALES MONITOR FEBRUARY 2024

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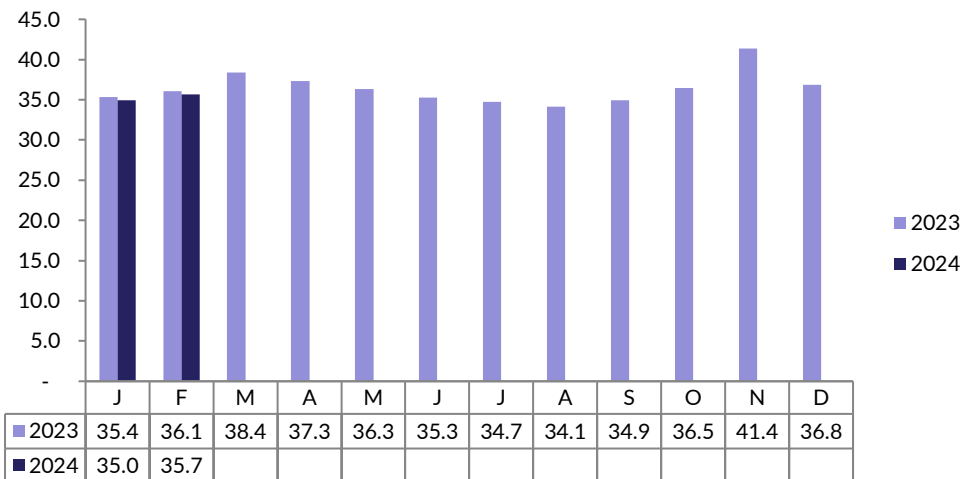
FEB: ONLINE PENETRATION RANKINGS BY CATEGORY



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	
Feb 2024	35.7%
Feb 2023	36.1%
Jan 2024	35.0%
3m average	35.9%
12m average	36.4%

Source: BRC-KPMG RSM

BRC – KPMG RETAIL SALES MONITOR FEBRUARY 2024

Covering the four weeks 28 January – 24 February 2024

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
Feb 2023	-3.1	-3.2	36.1	35.9	-1.2	-1.3
Mar	-2.1	-3.0	38.4	36.7	-0.7	-1.2
Apr	-3.6	-2.9	37.3	37.4	-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
Jan 2024	-4.2	-2.3	35.0	37.6	-1.9	-1.2
Feb	-4.1	-2.9	35.7	35.9	-1.9	-1.5

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
Feb 2023	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%
Jan 2024	-1.5%	-2.0%
Feb	-2.3%	-2.9%

Source: BRC-KPMG Retail Sales Monitor

BRC – KPMG RETAIL SALES MONITOR FEBRUARY 2024

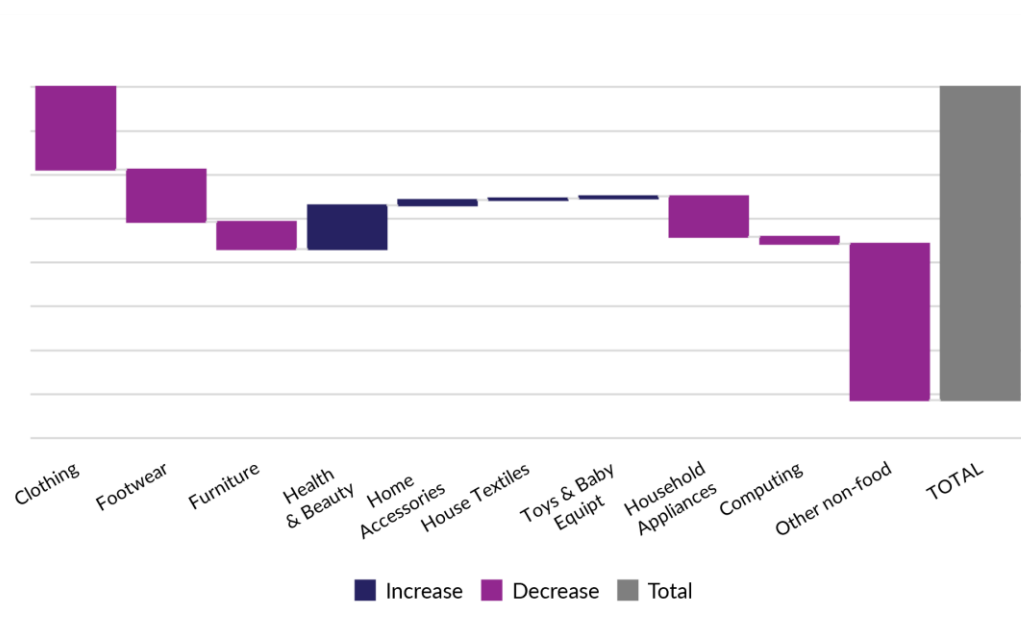
Covering the four weeks 28 January – 24 February 2024

SECTOR PERFORMANCE: ONLINE SALES GROWTH

CATEGORY	SALES UP / DOWN FEB 2024	GROWTH RANKINGS				
		FEB 2024	JAN 2024	FEB 2023	3M AVG	12M AVG
Health & Beauty	▲	1	1	4	1	1
Home Accessories	▲	2	3	10	2	10
House Textiles	▲	3	6	7	6	4
Toys & Baby Equipment	▲	4	2	5	3	5
Computing	▼	5	7	6	4	9
Clothing	▼	6	4	9	5	8
Furniture	▼	7	8	3	8	3
Household Appliances	▼	8	5	1	10	2
Footwear	▼	9	9	2	9	6
Other Non-Food	▼	10	10	8	7	7

Source: BRC-KPMG RSM

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



Source: BRC-KPMG RSM

BRC – KPMG RETAIL SALES MONITOR FEBRUARY 2024

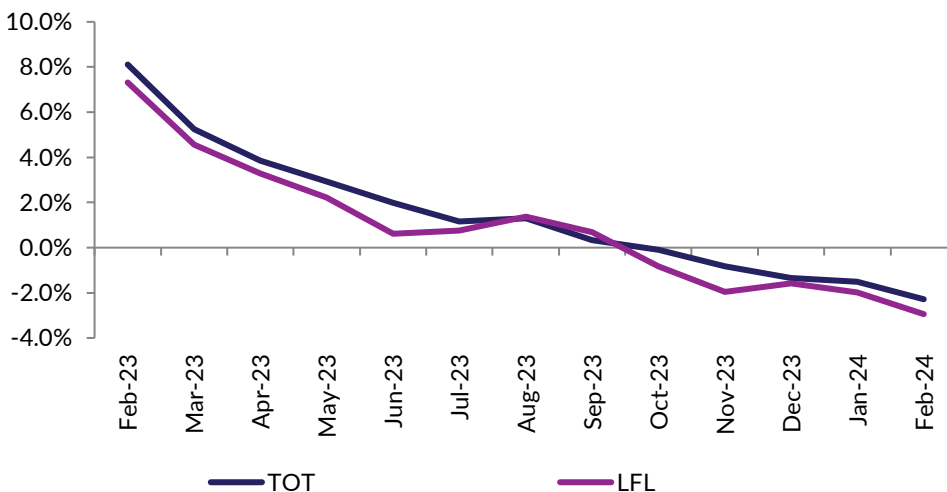
Covering the four weeks 28 January – 24 February 2024

SECTOR PERFORMANCE: STORE TOTAL SALES GROWTH

CATEGORY	SALES UP / DOWN FEB 2024	GROWTH RANKINGS				
		FEB 2024	JAN 2024	FEB 2023	3M AVG	12M AVG
Health & Beauty	▲	1	1	1	1	1
Home Accessories	▲	2	4	10	2	9
Toys & Baby Equipment	▲	3	6	7	3	5
Footwear	▼	4	2	4	4	2
House Textiles	▼	5	5	8	7	8
Clothing	▼	6	3	5	5	4
Computing	▼	7	9	9	6	10
Furniture	▼	8	8	6	9	6
Household Appliances	▼	9	7	3	8	3
Other Non-Food	▼	10	10	2	10	7

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 FEBRUARY 2024

Covering the four weeks 28 January – 24 February 2024

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 March 2024 Monitor, covering the five weeks 25 February – 30 March 2024, will be released at 00.01am on Tuesday 9 April 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.

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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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