

Strictly Embargoed until 00.01 hrs – Tuesday 6th February 2024

BRC – KPMG RETAIL SALES MONITOR

JANUARY 2024

COVERING FOUR WEEKS 31ST DECEMBER 2023 – 27 JANUARY 2024

RETAIL SALES SLOW AS HIGH COST OF LIVING ENTERS THIRD YEAR

<i>% CHANGE YEAR-ON-YEAR</i>		TOTAL	LIKE-FOR-LIKE
UK RETAIL SALES	▼	+1.2%	+1.4%
FOOD (3-MTH)	▼	+6.3%	+6.2%
NON-FOOD (3-MTH)	▼	-1.8%	-2.1%
NON-FOOD – STORE (3-MTH)	▼	-1.5%	-2.0%
NON-FOOD – ONLINE	▼	-4.2%	N/A





Helen Dickinson OBE, Chief Executive | British Retail Consortium

“Easing inflation and weak consumer demand led retail sales growth to slow. While the January sales helped to boost spending in the first two weeks, this did not sustain throughout the month. Larger purchases, such as furniture, household appliances, and electricals, remained weak as the higher cost of living continued into its third year. The milder temperatures meant clothing sales performed poorly, particularly winter clothing and footwear. It was better news for health and beauty products, which continued to sell extremely well.

“With the Spring Budget in sight, and a general election looming, government cannot afford to ignore the needs of retailers and their customers. Employing three million people and supporting families and communities in every corner of the country, retail is the ‘everywhere economy’. By addressing the cumulative burdens, from business rates’ rises, to ill-conceived new recycling proposals to border control costs, the next government can unlock retail investment and boost local and national economic growth.”



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

“It may be a new year, but the hangover of low consumer confidence remains, with retail sales growing by a lacklustre 1.2%, and online operators seeing yet another month of negative sales performance.

“Health and beauty purchasing continued to drive sales both on the high street and online, whilst sun seekers and consumers with healthy resolutions front of mind, gave a boost to sports and travel equipment sales, which were up over 4% year on year.

“The extraordinary weather conditions across large parts of the country did little to encourage shoppers out on to the high street, whilst continued industrial action on the rail network was unhelpful for city centre locations. Whilst there are some positive signs that mortgage rates are starting to fall and stabilise, and shop inflation has fallen to its lowest level in over a year, the feel good factor has yet to materialise at the tills.

“It remains a difficult environment for retailers facing into significant downward pressures on demand, a strong promotional environment and uncertainty hitting supply chains due to rising geopolitical tensions. Retailers will be hoping that continued good news on the economy, coupled with the small boost given to some consumers as cuts in national insurance start to feed through to pay packets, will boost confidence and convert to sales. With increases in labour costs and business rates around the corner, retailers will be hoping for good news in the Chancellors’ upcoming Budget to give consumers that lift they need to start spending again.”

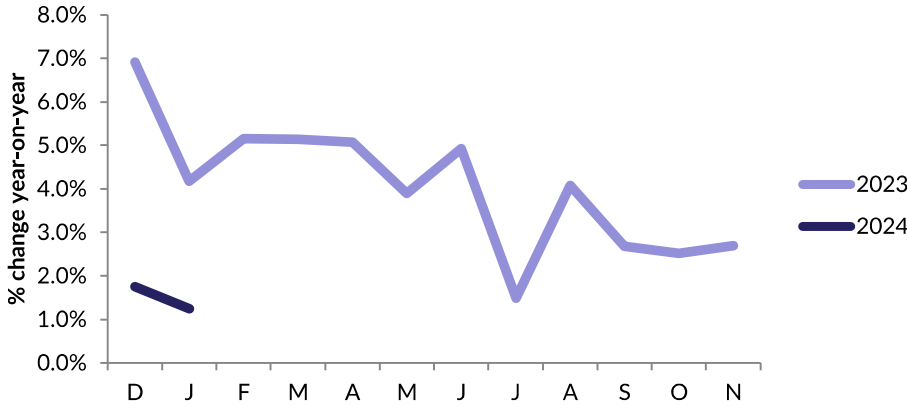


Food & Drink sector performance | Sarah Bradbury, CEO | IGD

“The year has started on a positive note. Despite most of the country bracing arctic conditions in the early part of January, grocery volumes have seen their largest year-on-year growth in over 12 months. This should, however, be viewed in the context of the market having endured a prolonged period of significant volume declines. Grocery sales remain in year-on-year growth, and with inflation slowing and further price cuts across the market, the rate of growth has remained relatively stable for the past three months.

“We can see that households have had to be mindful with their spending in January. Nearly a third of households with children at home claimed to have bought on credit over Christmas, so some households – particularly less affluent ones – will likely cut back a little to pay off this festive spending. While wage growth is now ahead of inflation, it will be some time before real incomes recover to their pre-crisis levels and consumer spending fully recovers.”

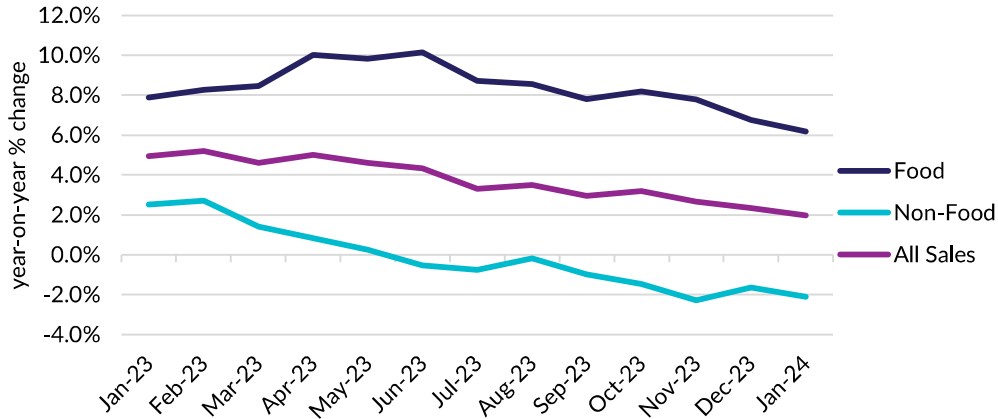
MONTHLY GROWTH OF TOTAL RETAIL SALES



	LFL	TOTAL
Jan 2024	1.4%	1.2%
Jan 2023	3.9%	4.2%
Dec 2023	1.9%	1.7%
3m average	2.0%	1.9%
12m average	3.4%	3.4%

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	6.2%	6.3%
Non-food	-2.1%	-1.8%
All Sales	2.0%	1.9%

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

The 1.2% growth seen in January is hardly a strong start to the year for UK retail sales, albeit representing less of a decline in volumes than the previous month. However, as this was in comparison to the beginning of the cost-of-living crisis, where the inflation rate was far higher, it is not such a surprising result as consumer discretionary spending power remains constrained.

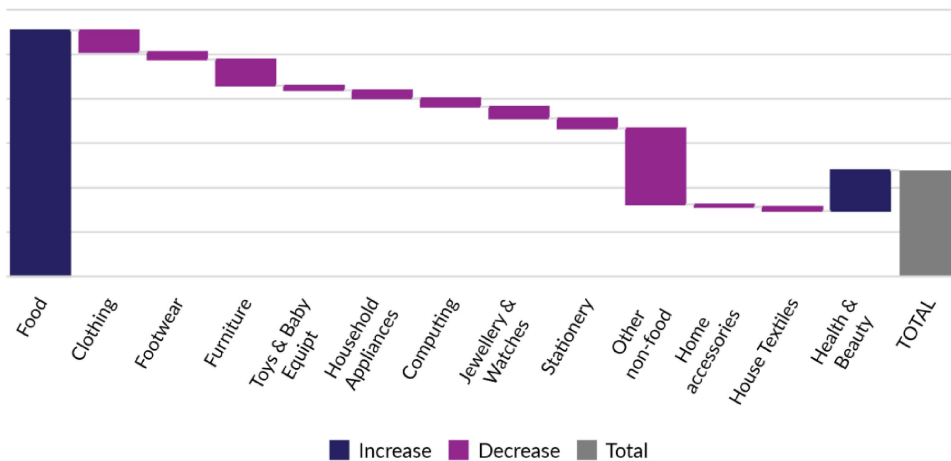
Food sales continued to see strong growth throughout the month, as the rate of price inflation on this side of the consumer spending equation remains relatively high. New Year's Eve was also in the time period in question, which drove sales for food and accompanying refreshments for entertaining guests. That being said, the growth rate continued its slowing trajectory in January, with the three-month average falling to 6.3%, which was its lowest level seen since November 2022.

For Non-Food, January was the seventh consecutive month of declines, resulting in the three-month average falling to its steepest decline of -1.8% the worst since August 2022. For fashion, once again it was up to Health & Beauty products to provide any buoyancy, as it was the only category on this side to see any growth at all. Clothing sales were said to perform strongly at the beginning of the month, as the back to school rush drove demand. However, this was far from sustained through the following weeks, as the January sales came to a close, resulting in demand waning considerably. Winter clothing was reportedly the worst performing, as milder weather for many parts of the UK provided little enthusiasm to update winter wardrobes, at full price anyway. Homewares suffered once again in January, as constrained discretionary spending caused people to hold off on making major purchases. The seizing up of property sales across the country have hampered Furniture and White Goods sales, as the two typically go hand in hand.

Looking ahead, the rise in tensions in the Middle East has caused logistics issues for the industry, but as yet it is not proving insurmountable for retailers. It may have been causing delayed delivery times so far, which has led to phasing issues for new season goods so far, but it has not driven a spike in costs so far – as the Suez blockage did a couple of years ago.

James Hardiman, Senior Analyst

JAN: 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 JANUARY 2024

Covering the four weeks 31 December 2023 – 27 January 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:

James Hardiman
0207 854 8970
james.hardiman@brc.org.uk



BRC – KPMG RETAIL SALES MONITOR JANUARY 2024

Covering the four weeks 31 December 2023 – 27 January 2024

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		
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-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

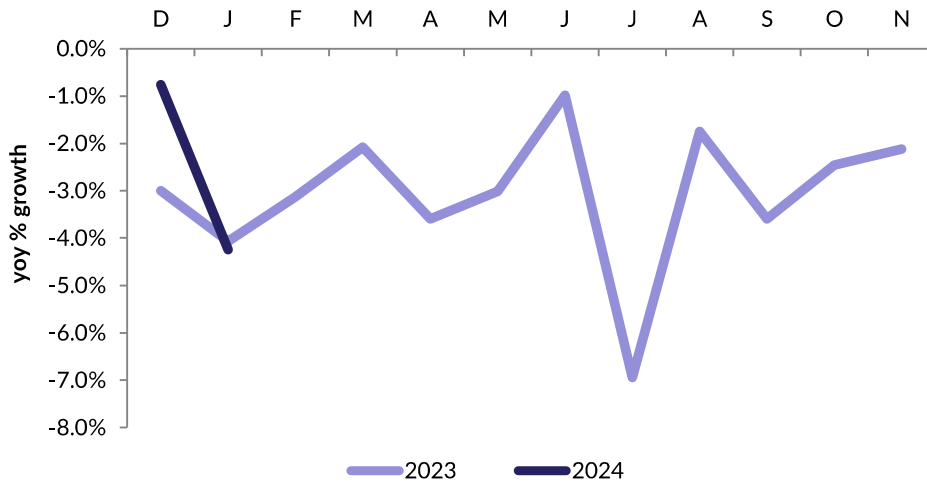
3-MONTH AVERAGE	LIKE-FOR-LIKE			TOTAL		
	Food	Non-Food	All Sales	Food	Non-Food	All Sales
Nov 22 – Jan 23	7.9	2.5	4.9	8.0	2.9	5.2
Dec 22 – Feb 23	8.2	2.7	5.2	8.3	3.2	5.5
Jan - Mar	8.5	1.4	4.6	8.5	1.8	4.8
Feb - Apr	10.0	0.8	5.0	9.8	1.2	5.1
Mar - May	9.8	0.2	4.6	9.6	0.5	4.7
Apr - Jun	10.1	-0.5	4.3	9.8	0.3	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
Nov 23 – Jan 24	6.2	-2.1	2.0	6.3	-1.8	1.9

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

BRC – KPMG RETAIL SALES MONITOR JANUARY 2024

Covering the four weeks 31 December 2023 – 27 January 2024

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

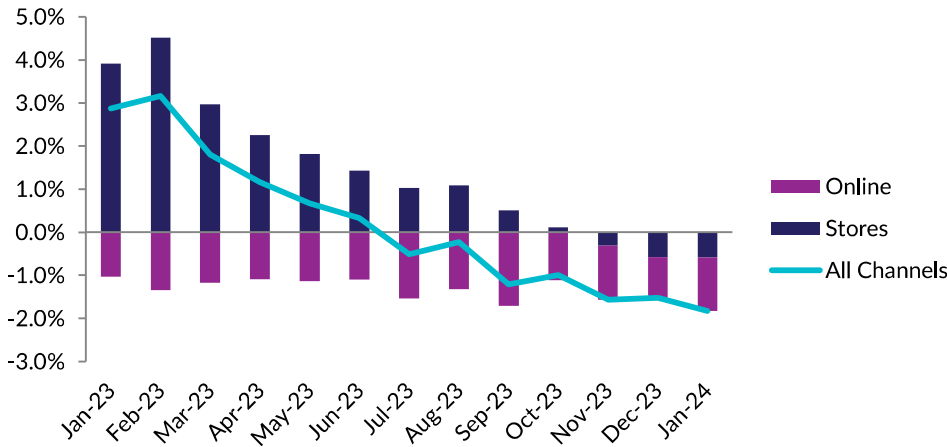


NON-FOOD GROWTH	ONLINE*	UK TOTAL
Jan 2024	-4.2%	n/d
Jan 2023	-4.1%	n/d
Dec 2023	-0.8%	n/d
3m avg	-2.3%	-1.8%
12m avg	-2.8%	-0.5%

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
Nov 23 - Jan 24	-2.0%	-1.5%
Nov 22 - Jan 23	6.5%	7.2%
Oct - Dec 23	-1.6%	-1.3%
12m avg	0.3%	0.8%

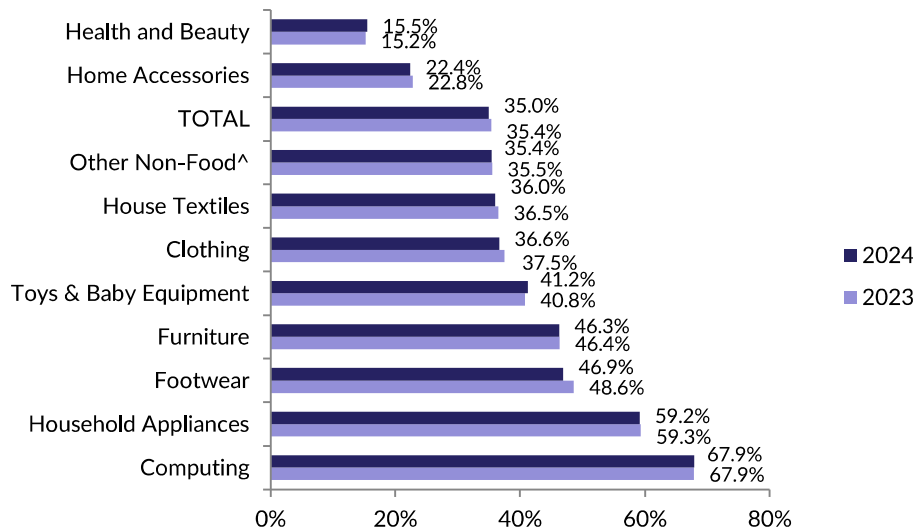
Source: BRC-KPMG RSM



BRC – KPMG RETAIL SALES MONITOR JANUARY 2024

Covering the four weeks 31 December 2023 – 27 January 2024

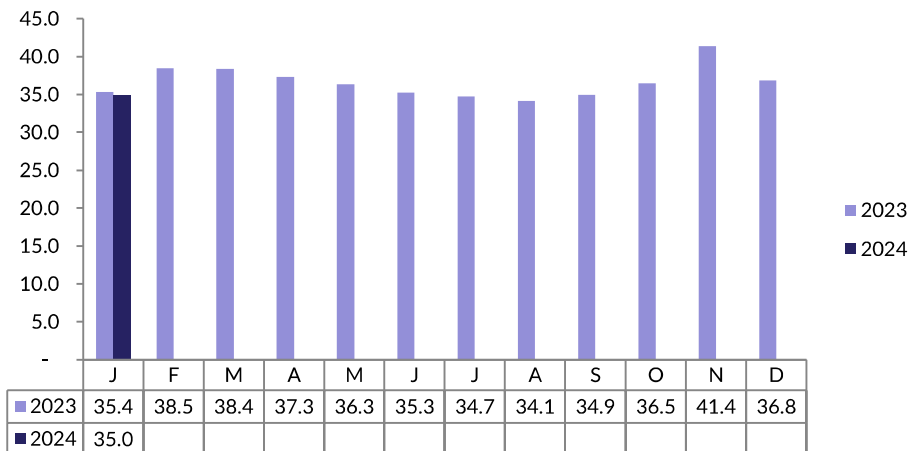
JAN: ONLINE PENETRATION RANKINGS BY CATEGORY



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	
Jan 2024	35.0%
Jan 2023	35.4%
Dec 2023	36.8%
3m average	37.6%
12m average	36.6%

Source: BRC-KPMG RSM



BRC – KPMG RETAIL SALES MONITOR JANUARY 2024

Covering the four weeks 31 December 2023 – 27 January 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
Jan 2023	-3.6	-2.4	35.4	37.6	-1.5	-1.0
Feb	-3.1	-3.2	38.5	36.7	-1.2	-1.3
Mar	-2.1	-3.0	38.4	37.5	-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
Jan 2024	-4.2	-2.3	35.0	37.6	-1.9	-1.2

Source: BRC-KPMG Retail Sales Monitor. * 2020 was 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
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%
Jan 2024	-1.5%	-2.0%

Source: BRC-KPMG Retail Sales Monitor

BRC – KPMG RETAIL SALES MONITOR JANUARY 2024

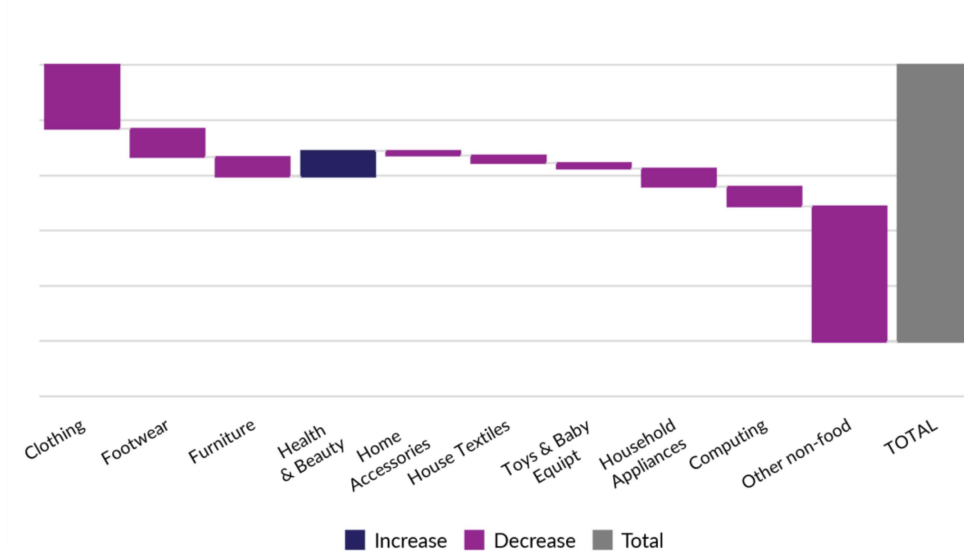
Covering the four weeks 31 December 2023 – 27 January 2024

SECTOR PERFORMANCE: ONLINE SALES GROWTH

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

Source: BRC-KPMG RSM

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



Source: BRC-KPMG RSM

BRC – KPMG RETAIL SALES MONITOR JANUARY 2024

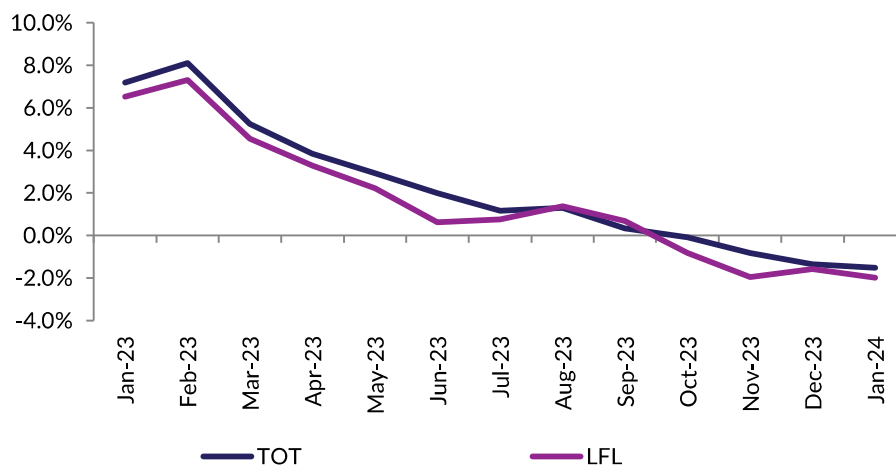
Covering the four weeks 31 December 2023 – 27 January 2024

SECTOR PERFORMANCE: STORE TOTAL SALES GROWTH

CATEGORY	SALES UP / DOWN JAN 2024	GROWTH RANKINGS				
		JAN 2024	DEC 2023	JAN 2022	3M AVG	12M AVG
Health & Beauty	▲	1	1	5	1	1
Footwear	▲	2	4	1	2	2
Clothing	▼	3	5	3	4	4
Home Accessories	▼	4	3	9	3	9
House Textiles	▼	5	10	7	7	7
Toys & Baby Equipment	▼	6	2	2	5	5
Household Appliances	▼	7	8	4	6	3
Furniture	▼	8	9	8	8	6
Computing	▼	9	6	10	9	10
Other Non-Food	▼	10	7	6	10	8

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 JANUARY 2024

Covering the four weeks 31 December 2023 – 27 January 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.



BRC – KPMG RETAIL SALES MONITOR JANUARY 2024

Covering the four weeks 31 December 2023 – 27 January 2024

MEDIA ENQUIRIES

British Retail Consortium

The Form Rooms,
22 Tower Street,
London WC2H 9NS

T 020 7854 8900

W www.brc.org.uk

Tom Holder**Media Relations Officer**

T 0207 854 8924

M 0777 52382432

E tom.holder@brc.org.uk

KPMG

15 Canada Square
London
E14 5GL

T 020 7311 1000

W www.kpmg.co.uk

Emma Murray**PR Manager**

T 0207 694 6506

M 07920 870 623

E emma.murray@kpmg.co.uk

IGD

Grange Lane
Letchmore Heath
Watford,
WD25 8GD

T 01923 857141

W www.igd.com

Laura John,**Corporate Communications Manager**

T 01923 851986

M 07453 018505

E Laura.John@igd.com

The February 2024 Monitor, covering the four weeks 28 January – 24 February 2024, will be released at 00.01am on Tuesday 5 March 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**

KPMG LLP, a UK limited liability partnership, operates from 22 offices across the UK with approximately 16,300 partners and staff. The UK firm recorded a revenue of £2.338 billion in the year ended 30 September 2018. KPMG is a global network of professional firms providing Audit, Tax, and Advisory services. It operates in 154 countries and has 200,000 professionals working in member firms around the world. The independent member firms of the KPMG network are affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. Each KPMG firm is a legally distinct and separate entity and describes itself as such.

**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 JANUARY 2024

Covering the four weeks 31 December 2023 – 27 January 2024

British Retail Consortium

The Form Rooms, 22 Tower Street,
London WC2H 9NS

T 020 7854 8900

W www.brc.org.uk

AUTHOR

James Hardiman,
Senior Analyst

T 0207 854 8970

E James.Hardiman@brc.org.uk



EDITOR

Kris Hamer,
Insight Director

M: +44 (0)7557 231 991

E kris.hamer@brc.org.uk



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

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

Tina Spooner
0207 854 8960

tina.spooner@brc.org.uk