

Strictly Embargoed until 00.01 hrs - Tuesday 7<sup>th</sup> November 2023

## BRC – KPMG RETAIL SALES MONITOR

### OCTOBER 2023

COVERING FOUR WEEKS 1<sup>ST</sup> – 28<sup>TH</sup> OCTOBER 2023

# FESTIVE SPENDING OFF TO SLOW START

<i>% CHANGE YEAR-ON-YEAR</i>		TOTAL	LIKE-FOR-LIKE
UK RETAIL SALES	▼	+2.5%	+2.6%
FOOD (3-MTH)	▲	+7.9%	+8.2%
NON-FOOD (3-MTH)	▼	-1.0%	-1.5%
NON-FOOD – STORE (3-MTH)	▼	-0.1%	-0.8%
NON-FOOD – ONLINE	▼	-2.5%	N/A





**Helen Dickinson OBE, Chief Executive | British Retail Consortium**

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“Retail sales growth slowed as high mortgage and rental costs further shook consumer confidence. Many households are also delaying their Christmas spending in the hopes they can grab a bargain in the upcoming Black Friday sales. The cost-of-living squeeze meant more was spent on lower-price indulgences, such as beauty products – the so-called ‘Lipstick Effect’. Meanwhile, the arrival of some colder weather helped to boost fashion sales, particularly for outdoor wear.

“Retailers continue to invest in lowering prices and streamlining their operations, part of their commitment to delivering an affordable Christmas for their customers. But this is put at risk by the £470m-per-year rise in business rates facing retailers next year. The Chancellor must freeze rates in the upcoming Autumn Statement, to prevent extra cost pressure, pushing up prices for struggling consumers.”



**Paul Martin, UK Head of Retail | KPMG**

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“Retail sales remained weak in October with growth of just 2.5%. Food and drink and health and beauty categories continued to drive sales, while a mild October saw consumers put off shopping trips to replenish winter wardrobes. Online sales continued to struggle, with negative sales growth recorded in every category other than health and Other Non-Food. This could herald the most competitive Black Friday period that we’ve seen in a while.

“Whilst consumers are now operating in a lower inflationary environment compared to October last year where inflation peaked at over 11%, there is no doubt that the last 12 months have taken a toll on confidence and their ability to spend. Coupled with a higher interest rate environment, dwindling covid savings and the heating coming back on, beleaguered consumers are thinking very carefully about how they spend their money. As a result, the strong demand that has kept some retailers afloat over the last 18 months is now falling away.

“Although the retail sector has done some sterling work around controlling their own cost environment, the health of the industry is at the mercy of macro demand. Retailers are facing a challenging Christmas, competing for a shrinking share of wallet, driven by promotions that will no doubt cut into already stretched margins. With spending levels expected to be much more muted this year, the run up to Christmas could be the most challenging we’ve seen since pre-pandemic days.”



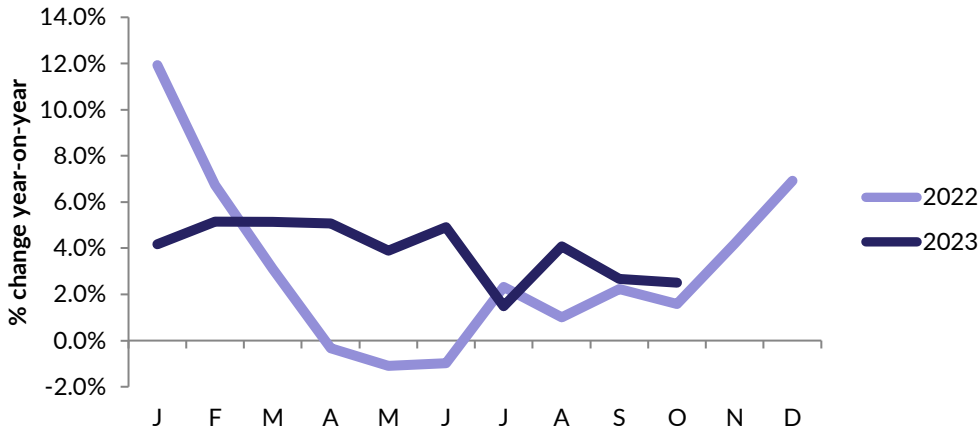
**Food & Drink sector performance | Sarah Bradbury, CEO | IGD**

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“October’s food and drink sales enjoyed a slight increase in volume and value sales compared to last year, but value sales were slightly down on September’s performance. As the country enjoyed warm weather at the start of the month the market benefitted with a slight increase in footfall. Further good news came as inflation continued to fall against the steep increases seen a year ago, with shoppers benefitting from reduced prices, particularly from discounts offered by retailer’s loyalty schemes.

“Shopper confidence remained the same in October as September and continues to be at its highest level since December 2021. As inflation fell again, more shoppers expect food prices to fall in the year ahead – up to 12%, compared with 8% last month and 3% in October ‘22. However, some 67% expect prices to rise in the year ahead and IGD’s food price inflation forecast is for prices to rise, albeit at a slower rate, indicating there are still challenges ahead for the industry.”

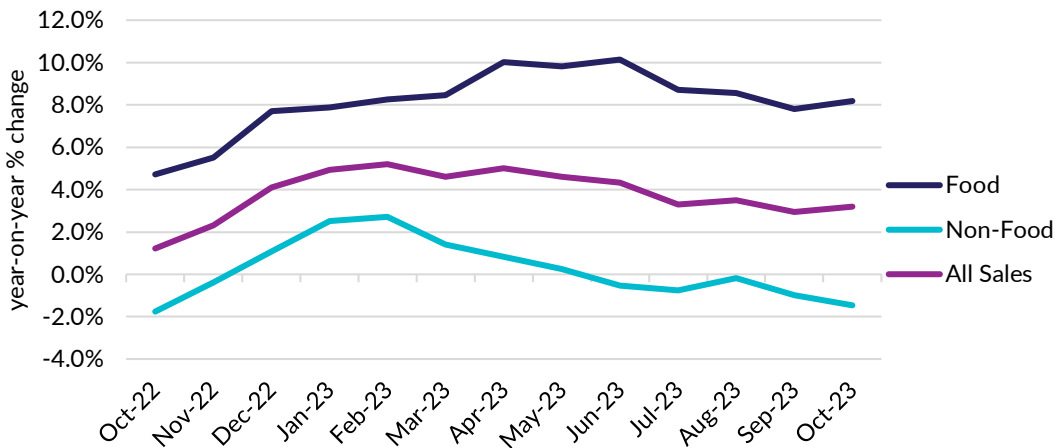
**MONTHLY GROWTH OF TOTAL RETAIL SALES**



	LFL	TOTAL
Oct 2023	2.6%	2.5%
Oct 2022	1.2%	1.6%
Sep 2023	2.8%	2.7%
3m average	3.2%	3.1%
12m average	4.1%	4.2%

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	8.2%	7.9%
Non-food	-1.5%	-1.0%
All Sales	3.2%	3.1%

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

October was a gloomy month for retail in the UK, with another slowdown in growth, to 2.5% from 2.7% a month earlier. This was a particularly disappointing result given that October was the first month in the all-important 'golden quarter' for the retail industry, culminating in the festive season at the end of the year. There was a distinct effect of consumers holding off from Christmas spending, which at the same point in recent years had already started for many.

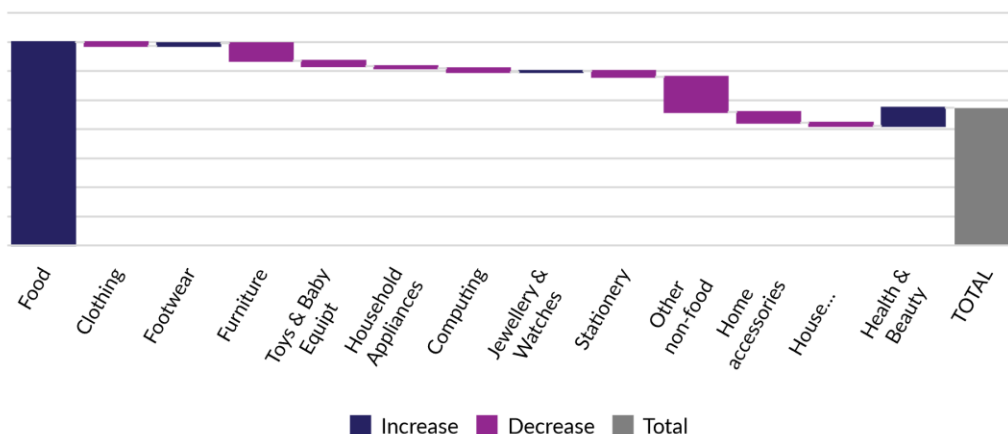
With Food price inflation easing to its lowest rate since July, it was quite the surprise to see sales value growth over the three months to October accelerate from the previous month, now at 7.9% year-on-year. However, this was not a complete reversal of fortunes, but more a stabilisation of the recent trend, as the summer months had seen volumes slump.

Non-Food sales were in decline for the second consecutive month, keeping the three-month average firmly in negative territory for the fourth month in a row, at -1.0% in October. While the tumultuous weather patterns seen across the month played their part in the fortunes of Non-Food in October, it is worth taking account of the economic conditions at this point last year. October 2022 was the first point where the domestic energy prices really began to impact consumers' wallets, as the first high gas and electricity bills were landing on their doormats. This factor had a significant impact on consumer spending habits at the end of the month last year, which naturally had a knock-on effect on this year's year-on-year growth figures, or lack thereof. Homewares – and more specifically Household Appliances – were of course the most negatively affected categories this time around, as last October people were buying up anything that would help them heat their homes and cook their food in the most energy efficient way possible. This year, it was a tall order to expect these categories to be able to keep pace with that level of shift in consumer behaviour and certainly one that was not going to be repeated. Although it was quite early in the season, it was widely reported that sales of traditional Christmas goods had begun slowly this year, which was a disappointing result but not altogether unexpected. The ongoing cost-of-living crisis was said to be impacting spending decisions, as it has for the year so far, with people holding off until it is absolutely necessary. This also dragged down homeware sales overall, as people held off from visiting the shops accordingly. Coupling this with the severe slowdown in house sales, caused large items of furniture and white goods to fall further into decline than in recent months.

The cold snap mid-month followed by wet weather for the rest of the period, led to a pick-up for fashion as people were spurred on to look for warming knitwear and outdoor clothing to protect themselves from the elements. Also, this had a positive impact on formalwear as well, as it was said that warmer suits were selling well as the temperatures dropped. However, this was less evident in stores, as they fell into decline for the first time since March 2021, which was likely a consequence of the poor weather keeping people away from the high street. Unfortunately, this did not lead to a commensurate improvement in the fortunes of online sales, which remained in decline once again, albeit at a slightly improved rate from the previous month.

**James Hardiman, Senior Analyst**

## OCT: 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 OCTOBER 2023

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Covering the four weeks 1 – 28 October 2023

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**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 OCTOBER 2023

Covering the four weeks 1 – 28 October 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		
December	0.6	2.1	6.5	6.9		
Jan-Oct average	10.6	11.3	1.0	2.6	3.8	3.9
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

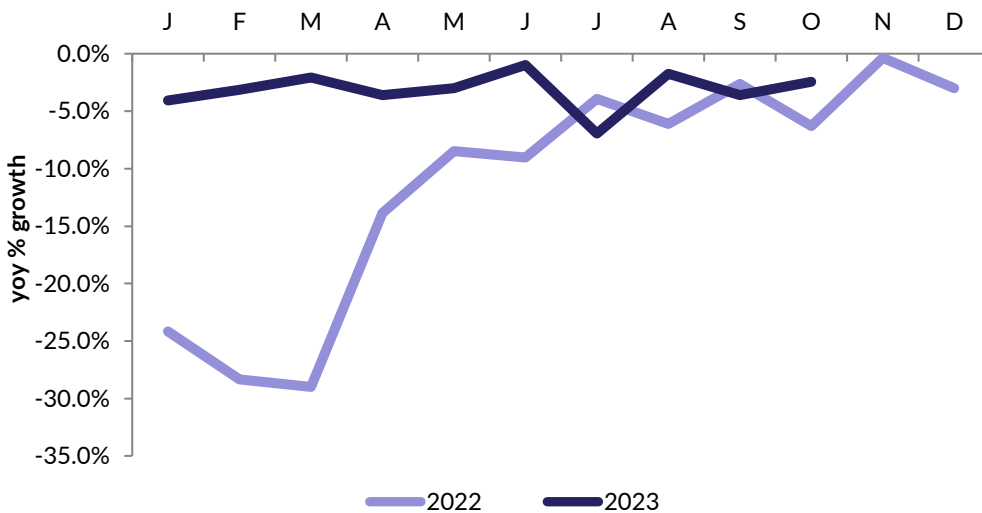
3-MONTH AVERAGE	LIKE-FOR-LIKE			TOTAL		
	Food	Non-Food	All Sales	Food	Non-Food	All Sales
Aug – Oct 22	4.7	-1.8	1.2	5.1	-1.2	1.7
Sep – Nov	5.5	-0.4	2.3	5.8	0.0	2.6
Oct – Dec	7.7	1.1	4.1	7.9	1.5	4.4
Nov 22 – Jan 23	7.9	2.5	4.9	8.0	2.9	5.2
Dec 22 – Feb 23	8.2	2.7	5.2	8.3	3.2	5.5
Jan – Mar	8.5	1.4	4.6	8.5	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
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 23	8.2	-1.5	3.2	7.9	-1.0	3.1

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

## BRC – KPMG RETAIL SALES MONITOR OCTOBER 2023

Covering the four weeks 1 – 28 October 2023

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

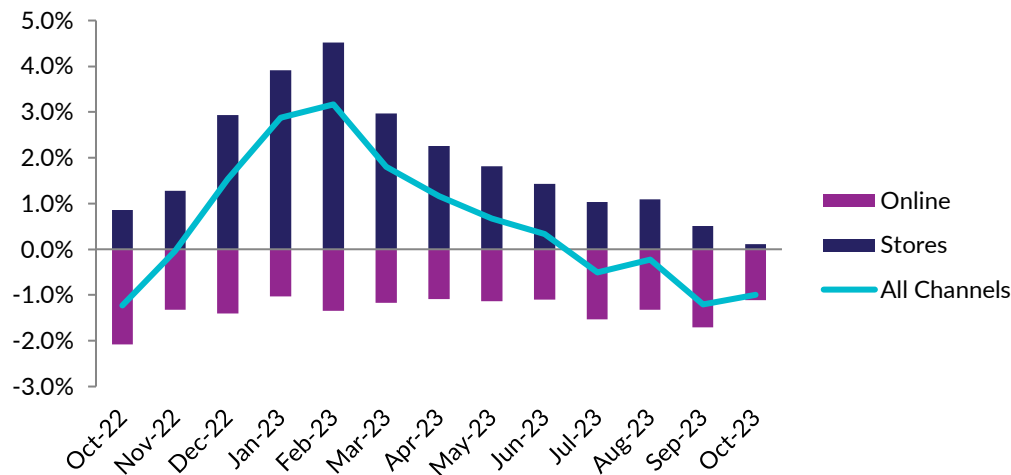


NON-FOOD GROWTH	ONLINE*	UK TOTAL
Oct 2023	-2.5%	n/d
Oct 2022	-6.3%	n/d
Sep 2023	-3.6%	n/d
3m avg	-2.7%	-1.0%
12m avg	-2.9%	0.6%

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



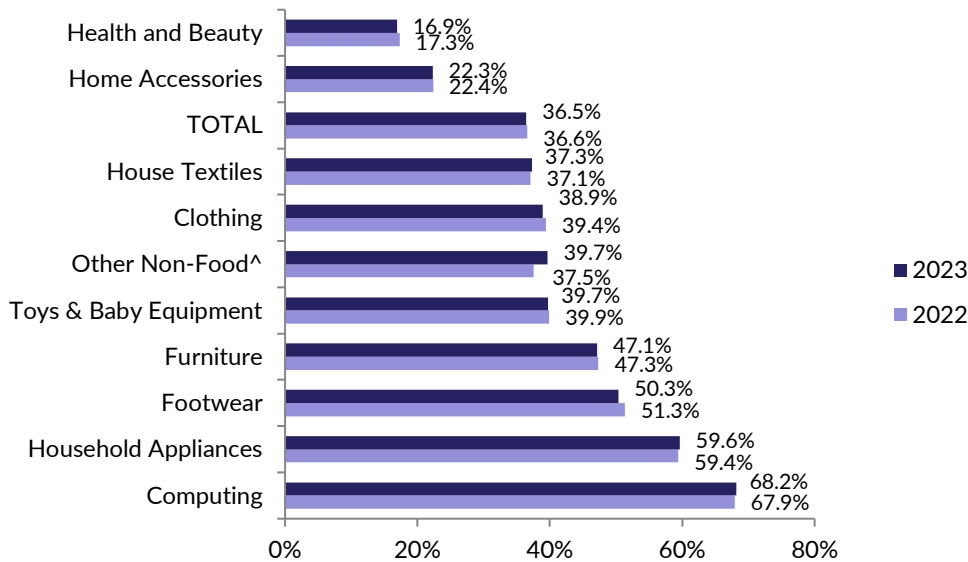
NON-FOOD IN-STORE % CHANGE YEAR-ON-YEAR		
	LFL	TOTAL
Aug - Oct 23	-0.8%	-0.1%
Aug - Oct 22	0.4%	1.3%
Jul - Sep 23	0.7%	0.3%
12m avg	2.4%	3.0%

Source: BRC-KPMG RSM

## BRC – KPMG RETAIL SALES MONITOR OCTOBER 2023

Covering the four weeks 1 – 28 October 2023

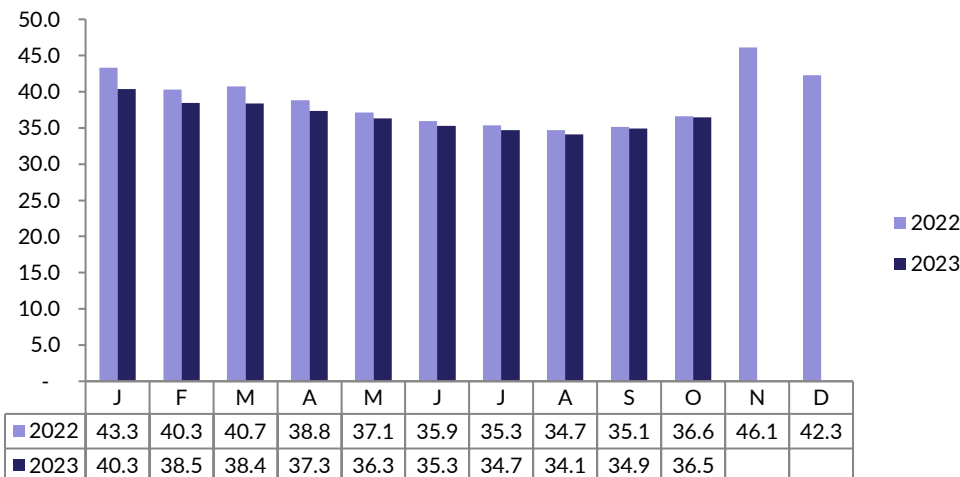
### OCT: ONLINE PENETRATION RANKINGS BY CATEGORY



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	
Oct 2023	36.5%
Oct 2022	36.6%
Sep 2023	34.9%
3m average	35.1%
12m average	37.9%

Source: BRC-KPMG RSM



## BRC – KPMG RETAIL SALES MONITOR OCTOBER 2023

Covering the four weeks 1 – 28 October 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
Oct 2022	-6.3	-4.8	36.6	35.4	-2.9	-2.1
Nov	-0.4	-3.1	46.1	39.0	-0.2	-1.3
Dec	-3.0	-3.2	42.3	41.7	-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
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

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
Oct 2022	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%
Jul	1.2%	0.8%
Aug	1.3%	1.4%
Sep	0.3%	0.7%
Oct	-0.1%	-0.8%

Source: BRC-KPMG Retail Sales Monitor

## BRC – KPMG RETAIL SALES MONITOR OCTOBER 2023

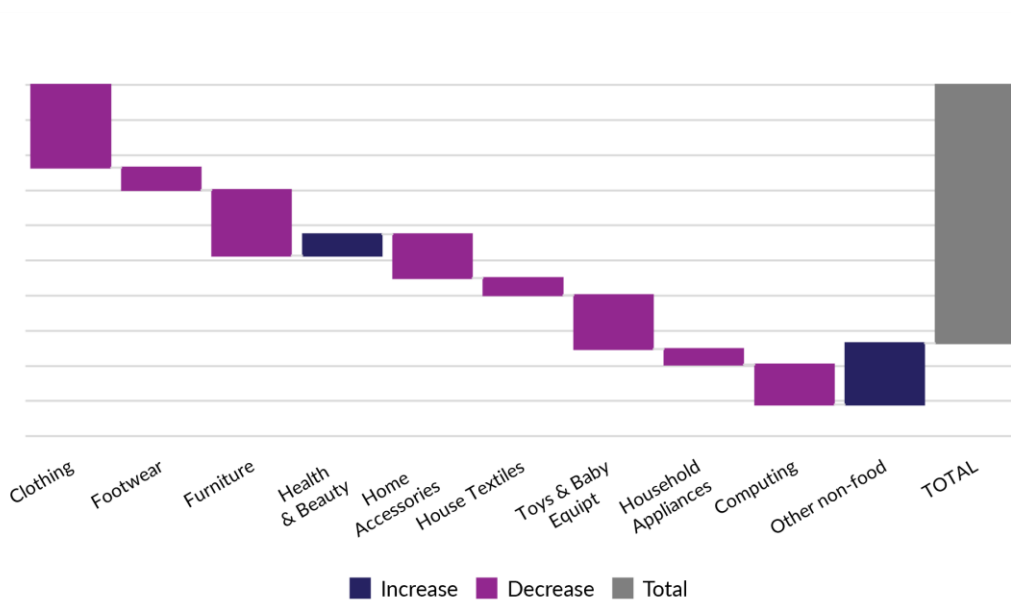
Covering the four weeks 1 – 28 October 2023

### SECTOR PERFORMANCE: ONLINE SALES GROWTH

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

Source: BRC-KPMG RSM

### OCT: CONTRIBUTION TO NON-FOOD ONLINE SALES GROWTH BY CATEGORY



Source: BRC-KPMG RSM

## BRC – KPMG RETAIL SALES MONITOR OCTOBER 2023

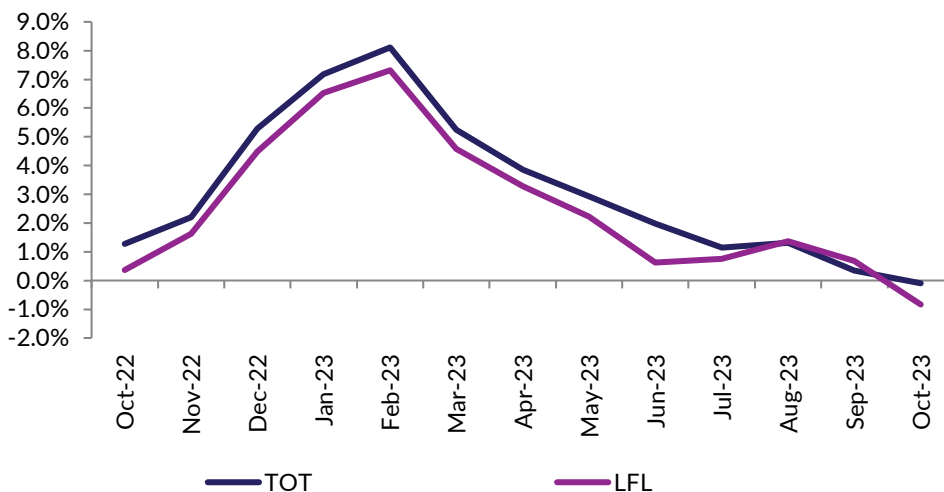
Covering the four weeks 1 – 28 October 2023

### SECTOR PERFORMANCE: STORE TOTAL SALES GROWTH

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

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 OCTOBER 2023

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Covering the four weeks 1 – 28 October 2023

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### 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 OCTOBER 2023

Covering the four weeks 1 – 28 October 2023

### MEDIA ENQUIRIES

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The November 2023 Monitor, covering the four weeks 29 October – 25 November 2023, will be released at 00.01am on Tuesday 5 December 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.

**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.

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**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,  
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