

# HUMDRUM START TO GOLDEN QUARTER FOR SCOTS

Covering the four weeks 1 – 29 October 2022

Strictly Embargoed until 00:01 hrs – Wednesday 16<sup>th</sup> November 2022

**OCT: LIKE-FOR-LIKE**  
% change year on year

## 4.0%

In October, Scottish sales increased by 4.0% on a Like-for-like basis compared with October 2021, when they had decreased by 0.3%. This is above the 3-month average increase of 3.9% and below the 12-month average growth of 12.7%.

**OCT: TOTAL**  
% change year on year

## 6.3%

Total sales in Scotland increased by 6.3% compared with October 2021, when they had grown 2.0%. This was below the 3-month average increase of 6.4% and the 12-month average growth of 16.1%. Adjusted for inflation, the year-on-year change was -0.3%.

**OCT: TOTAL FOOD**  
% change year on year

## 10.9%

Total Food sales increased by 10.9% versus October 2021, when they had decreased by 1.3%. October was above the 3-month average growth of 10.2% and the 12-month average growth of 3.1%. The 3-month average was above the UK level of 5.1%.

**OCT: TOTAL NON-FOOD**  
% change year on year

## 2.4%

Total Non-Food sales increased by 2.4% in October compared with October 2021, when they had increased by 4.8%. This was below the 3-month average increase of 3.1% and the 12-month average of 26.9%.

**OCT: TOTAL ONLINE  
ADJUSTED NON-FOOD**  
% change year on year

## -0.5%

Adjusted for the estimated effect of Online sales, Total Non-Food sales decreased by 0.5% in October versus October 2021, when they had increased by 0.4%. This is below the 3-month average growth of 1.0% and the 12-month average of 18.4%.



## SRC-KPMG SCOTTISH RETAIL SALES MONITOR OCTOBER 2022

---

Covering the four weeks 2 – 29 October 2022

---



David Lonsdale, Director | Scottish Retail Consortium

---

“Retail sales slipped backwards in real terms in October as the rise in sales was outweighed by ever increasing inflation. Despite being the first month of the golden trading quarter, retailers will be disappointed not to have seen any surge in sales either for Halloween or early Christmas-related trading.

“Food volumes continue to fall, indicative that customers carry on having to pay more for fewer items. That is having a knock-on effect on more discretionary retail spending, with the few signs of life being purchases of energy saving items such as air fryers for cooking, heated clothing airers and blankets. Clothing sales in particular were poor, turning in the weakest performance since February, with customers failing to refresh autumn wardrobes. Even with the soccer World Cup just around the corner there was little sign customers were getting ready, with no discernible uplift in television sales.

“Weak trading is a huge concern for retailers who have suffered two successive poor Christmases. With costs skyrocketing the pressure is building on retailers to deliver a good performance. However, the Scottish and UK governments need to urgently assess the costs they are adding to businesses and see where they could lighten the burden. Next month’s Scottish Budget provides a clear opportunity to do so through forestalling any inflation-matching uplift in the business rate.”



Paul Martin, Partner, UK Head of Retail | KPMG

---

“Despite the price of goods being higher than 2021, retail sales during October slowed to 6.3% growth in value year on year in Scotland. Unfortunately, this value increase is driven by inflationary pressures and doesn’t give the full picture of sales volumes.

“The bottom line is that consumers are buying fewer products per shop, with overall volumes of both food and non-food in decline. Sales across almost every category both online and in store fell year on year as consumers adjust to shrinking household incomes.

“Retailers will be hedging their bets on upcoming events such as the World Cup and Black Friday to boost sales during the crucial golden quarter. Given the economic headwinds, it is unlikely that the usual festive boost will be enough to counteract the ongoing issues that retailers face with rising costs, squeezed margins and falling demand. Many may feel that they have little choice but to reduce prices to hold onto customers but with their own inflationary pressures to contend with, bumper promotions before Christmas could damage already tight margins further. Whilst Christmas is by no means cancelled as consumers focus on one bright spot amongst the economic clouds, retailers are facing possibly their toughest festive season in a decade as shoppers look to trade down, search out bargains and purchase less to meet the economic challenges ahead.”

## SRC-KPMG SCOTTISH RETAIL SALES MONITOR OCTOBER 2022

Covering the four weeks 2 – 29 October 2022

BY JAMES HARDIMAN, SENIOR ANALYST

SECTOR PERFORMANCE (TOTAL SALES YEAR-ON-YEAR, NON-ONLINE-ADJUSTED)

CATEGORY	UP/ DOWN OCT 2022		GROWTH RANKINGS (TOTAL SALES)				
	LFL	TOTAL	OCT 2022	SEP 2022	OCT 2021	3M AVG	12M AVG
Food & Drink	▲	▲	1	1	2	1	3
Clothing & Footwear	▲	▲	2	2	1	2	1
Other Non Food	▲	▲	3	3	3	3	2

Source: SRC-KPMG RSM

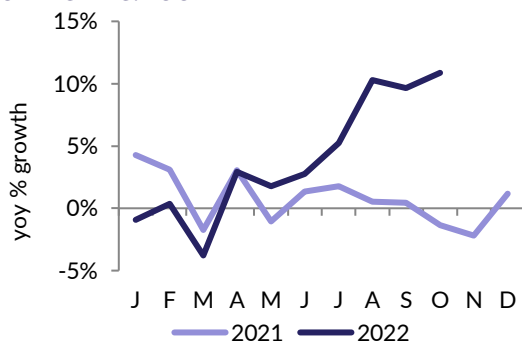
### OVERVIEW

Despite ever-increasing rates of price rises across much of the economy, retail sales growth slowed to 6.3% year-on-year, below the rate seen a month earlier. This is another clear sign that people are attempting to significantly rein in their spending, as volumes of both Food and Non-Food are in decline. When adjusting for the effects of inflation as measured by the BRC-NielsenIQ Shop Price Index at 6.6%, sales were in a decline of 0.3%. Fashion sales slumped in October, as the weather was far milder than usual, so there was less impetus to buy outerwear. Conversely, Energy saving appliances were in high demand throughout the month, with air-friers selling out country-wide.

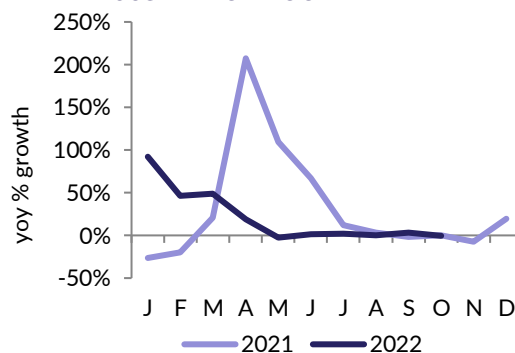
The month remained rather warm overall, but it was colder between the 7th and 19th, and the last third of the month was particularly mild and remarkably frost-free. It was mostly unsettled, with very few dry days. Provisional monthly mean temperatures were 1.5°C above average. Night-time temperatures were well above average in many areas. Rainfall was well above average in parts of the west and south-west, and slightly lower than average in the north-east. Sunshine was below average in most western areas, with eastern fringes rather brighter.

James Hardiman, Senior Analyst

### TOTAL SALES: FOOD



### ONLINE ADJUSTED NON-FOOD



Source: SRC-KPMG RSM

## SRC-KPMG SCOTTISH RETAIL SALES MONITOR OCTOBER 2022

Covering the four weeks 2 – 29 October 2022

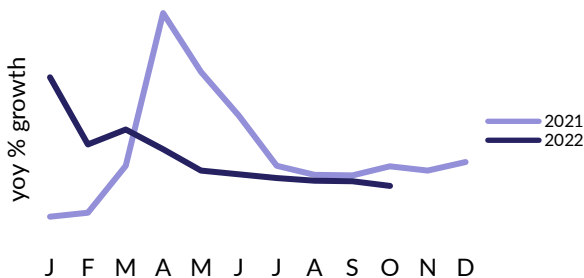
### FOOD

Food sales values climbed, once again, in October, as it reached its highest level since June 2009 – when the economy was beginning to recover from the financial crisis – with 10.9% year-on-year. It was, of course, another month of sales values being significantly driven by the ever-rising prices across groceries in October, with volumes down as people continue to either trade down or reduce their consumption to keep their weekly shop affordable.

### NON-FOOD

The first month since the increase in the domestic energy price cap was always going to be a challenge for the more-discretionary side of the consumer spending equation, as people were forced to constrain their spending on all but essential purchases. When taking the effects of online sales into account, Non-Food fell into decline for the first time since May, with -0.5% in October. Furthermore, when considering that inflation has been reported across the board, the fall in volumes sold is significantly more severe than the decrease in values highlighted. The only areas to see any good demand was for items that help to keep household bills as low as possible ahead of the winter months.

### CLOTHING AND FOOTWEAR



Source: SRC-KPMG RSM (online-adjusted figures)

The fashion category fell into decline for the first time since the lockdown-impacted month of February 2021, which was largely due to the milder weather over much of the month in October. Outerwear was widely reported to fall way below expectations. The lack of cold and wet weather led to these items being less of a necessity, which allowed people to hold off for another month. Fashion retailers will be hoping for demand to pick up at the first sign of a cold snap, without the need for heavy discounting in the all-important golden quarter.

### CLOTHING

Knitwear and other warming items were the only area that was said to see any real demand in October, but this was more driven by the need to keep the heating off for as long as possible, rather than the weather. That being said, when rain arrived mid-month children's jackets sold well.

### FOOTWEAR

The unseasonably warm and dry weather hampered boots sales, in particular, as this time of year would ordinarily be peak season for their demand. This was causing retailers significant concern as the month dragged on, as the sales around Black Friday were looming large on the horizon.

## SRC-KPMG SCOTTISH RETAIL SALES MONITOR OCTOBER 2022

Covering the four weeks 2 – 29 October 2022

### OTHER NON-FOOD



Source: SRC-KPMG RSM (online-adjusted figures)

Other Non-Food growth slowed slightly from September's recent high, but maintaining growth of any kind is welcome news given the constraints on consumer spending power at the moment. However, there was a significant dichotomy in the fortunes of the category's contributing segments, as people were on the hunt for goods to warm their houses rather than home improvements ahead of the festive season.

*Other Non-Food includes in particular:*

#### FURNITURE AND FLOORING, HOME ACCESSORIES, HOUSE TEXTILES, OUTDOOR LIVING AND DIY

Home improvements largely took a back seat in October, as the cost of living crisis became more severe due to the rise in domestic energy prices. This had a particularly negative impact on larger items of Furniture and other goods that carried a high price tag. Interestingly, the only area to see strong sales relative to the same point last year was Furniture. However, this was more due to the logistics constraints and stock issues that were prevalent last year, as opposed to high demand this time around. The GfK Consumer Confidence Index for Major Purchases fell even further in October, down 3 points from the previous month to -41 – another record low. The only goods in this segment to see demand were warming blankets and duvets, to stave off putting the heating on.

#### ELECTRICALS & ELECTRONICS

Under more normal circumstances, in the two months before the beginning of a World Cup sales of TVs and their accompanying Audio devices would start to see a steep pick-up in demand as people prepare to enjoy the tournament to the full. However, for this year demand appears to be later to arrive, which could be down to its later timing – as people can wait for the Black Friday sales – or due to their popularity earlier in the pandemic. In contrast, much like during September, sales of heated airers and air-friers were said to be astronomical, as people were desperate for any item to reduce their energy bills.

#### HEALTH & BEAUTY

Gifting items ahead of the festive season were said to be off to a slow start in October, in comparison to last year. However, Christmas spending did begin earlier in the year last time around, as people were worried about stock levels. Now that consumer spending is so constricted, it remains to be seen whether the demand will pick up enough to make this year's festivities a success for retailers.

## SRC-KPMG SCOTTISH RETAIL SALES MONITOR OCTOBER 2022

Covering the four weeks 2 – 29 October 2022

### RETAIL SALES YEAR-ON-YEAR PERCENTAGE GROWTH

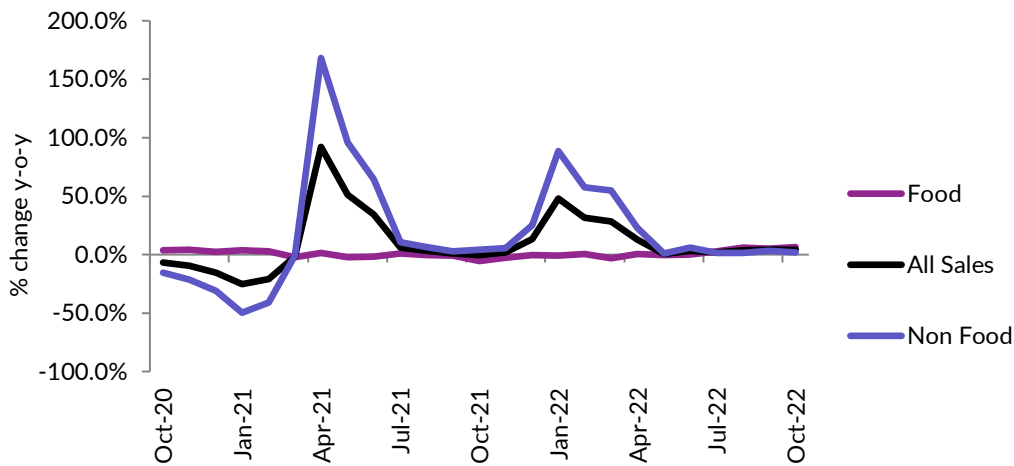
	SCOTLAND						UK	
	LIKE-FOR-LIKE			TOTAL			LFL	TOTAL
	FOOD	NON-FOOD	ALL SALES	FOOD	NON-FOOD	ALL SALES	ALL SALES	
2021 Oct	-5.5	4.1	-0.3	-1.3	4.8	2.0	-0.2	1.3
Nov	-2.6	5.5	1.8	-2.2	6.7	2.6	1.8	5.0
Dec	-0.6	25.2	13.4	1.2	27.7	15.6	0.6	2.1
2022 Jan	-0.7	88.5	47.8	-0.9	108.9	58.8	8.1	11.9
Feb	0.3	57.4	31.4	0.4	65.6	35.9	2.7	6.7
Mar	-3.2	55.0	28.5	-3.8	68.6	35.6	-0.4	3.1
Apr	0.7	22.8	12.7	2.9	25.7	15.3	-1.7	-0.3
May	-0.3	0.8	0.3	1.8	1.5	1.6	-1.5	-1.1
Jun	-0.1	6.2	3.3	2.7	5.8	4.4	-1.3	-1.0
Jul	2.8	1.3	2.0	5.3	3.7	4.4	1.6	2.3
Aug	5.9	1.5	3.5	10.3	2.8	6.2	0.5	1.0
Sep	5.0	3.5	4.2	9.6	3.9	6.5	1.8	2.2
Oct	6.5	1.9	4.0	10.9	2.4	6.3	1.2	1.6
3m avg	5.7	2.4	3.9	10.2	3.1	6.4	1.2	1.7
12m avg	1.1	22.5	12.7	3.1	26.9	16.1	1.0	2.7
	<b>UK</b>							
<b>3m avg</b>	4.7	-1.8	1.2	5.1	-1.2	1.7		

Source: SRC-KPMG RSM (not online-adjusted), BRC-KPMG RSM for UK data (including Food data from IGD)

## SRC-KPMG SCOTTISH RETAIL SALES MONITOR OCTOBER 2022

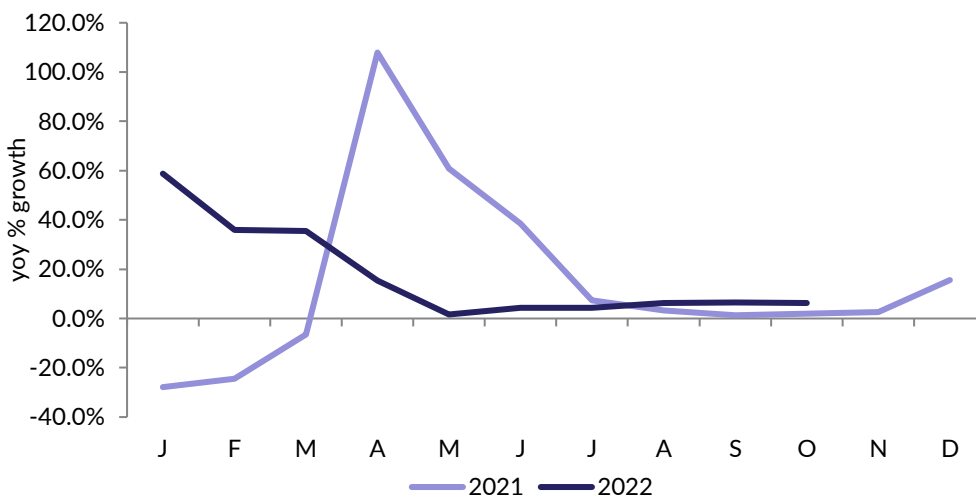
Covering the four weeks 2 – 29 October 2022

### LIKE-FOR-LIKE SALES: % CHANGE YEAR-ON-YEAR



Source: SRC-KPMG RSM (not online-adjusted)

### MONTHLY TOTAL SALES GROWTH YEAR-ON-YEAR

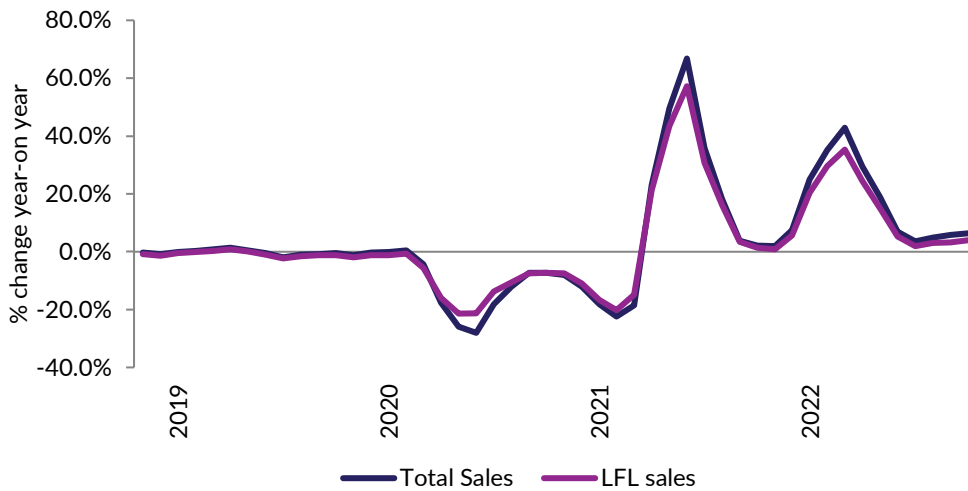


Source: SRC-KPMG RSM (not online-adjusted)

## SRC-KPMG SCOTTISH RETAIL SALES MONITOR OCTOBER 2022

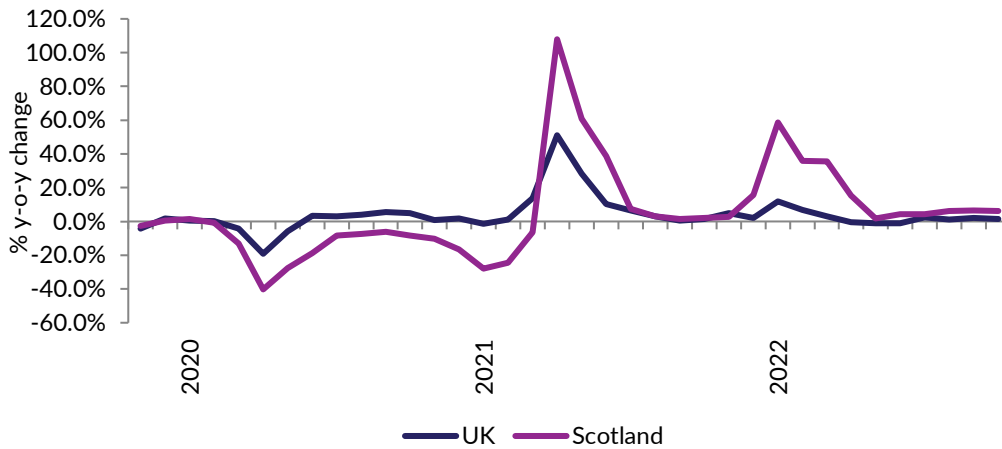
Covering the four weeks 2 – 29 October 2022

### SCOTLAND 3M ROLLING AVERAGE GROWTH OVER FIVE YEARS



Source: SRC-KPMG RSM

### SCOTLAND VERSUS UK TOTAL SALES GROWTH COMPARISON



Source: SRC/ BRC-KPMG RSM (including Food data from IGD).



## SRC-KPMG SCOTTISH RETAIL SALES MONITOR OCTOBER 2022

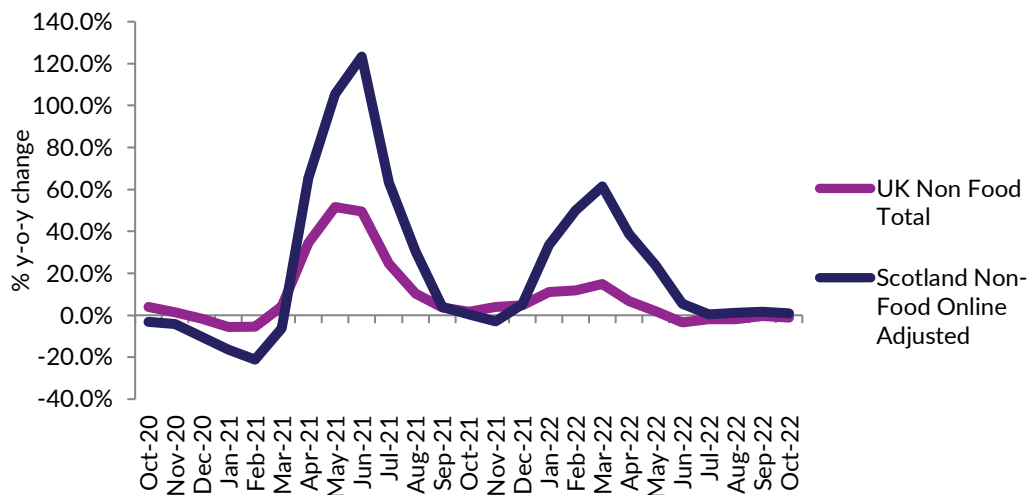
Covering the four weeks 2 – 29 October 2022

### NON-FOOD SALES GROWTH INCLUDING EFFECT OF ONLINE SALES (YEAR-ON-YEAR)

MONTH	SCOTLAND				UK	
	MONTHLY		3 MONTH AVERAGE		3 MONTH AVERAGE	
	LFL	TOTAL	LFL	TOTAL	LFL	TOTAL
2021 Oct	-0.3	0.4	0.7	0.4	-0.3	1.8
Nov	-8.7	-7.5	-3.2	-2.8	0.9	3.9
Dec	17.0	19.5	3.8	5.3	1.4	4.8
2022 Jan	71.8	92.1	26.0	33.5	6.5	11.1
Feb	37.9	46.1	40.3	50.0	6.9	12.0
Mar	35.5	49.1	47.4	61.4	8.6	14.9
Apr	15.9	18.8	30.2	38.8	1.8	6.9
May	-3.3	-2.6	17.5	23.9	-1.0	2.0
Jun	1.9	1.4	4.6	5.5	-4.2	-3.3
Jul	-0.4	1.9	-0.4	0.3	-2.5	-2.0
Aug	-1.1	0.1	0.2	1.2	-2.6	-2.0
Sep	2.5	3.0	0.5	1.8	-1.1	-0.4
Oct	-1.0	-0.5	0.3	1.0	-1.8	-1.2

Source: SRC-KPMG RSM, BRC-KPMG RSM for UK data and online adjustment (figures are rounded to the first decimal point)

### UK VERSUS ONLINE-ADJUSTED SCOTLAND NON-FOOD SALES GROWTH - 3-MONTH AVERAGE



Source: SRC/ BRC-KPMG RSM. Scotland is adjusted for the estimated effect of online sales.



## SRC-KPMG SCOTTISH RETAIL SALES MONITOR OCTOBER 2022

---

Covering the four weeks 2 – 29 October 2022

---

### NOTES

The SRC-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 with 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.

**'Like-for-like' sales growth (LFL)** is the percentage change in the value of comparable sales compared with 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 floor space. 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 floor space.

**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. Estimates based on ONS figures show about 15 per cent of total UK retail sales (food and non-food) are achieved via the internet.

The responses provided by retailers within each sales category are re-weighted (based on ONS weightings) to reflect the contribution of each category to total retail sales, thus making it representative of Scottish retail sales as a whole. Because the figures compare sales this 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.

In its role as sponsor of the SRC-KPMG Scottish Retail Sales Monitor (SRSMS), 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 from June 2009 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 June 2009 and, save for the aggregation of comparative sales figures for the period from June 2009, it is not responsible for the aggregation of any data included in this Monitor relating to any period prior to June 2009. Between its inception in January 1999 and June 2009 the aggregation of the SRSMS data was carried out by the University of Edinburgh.

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 SRC/BRC.



## SRC-KPMG SCOTTISH RETAIL SALES MONITOR OCTOBER 2022

---

Covering the four weeks 2 – 29 October 2022

---

### MEDIA ENQUIRIES

**SRC**

Box 112, 12 Southbridge  
Edinburgh EH1 1DD

**T** 020 7854 8900

**W** [www.brc.org.uk](http://www.brc.org.uk)

**Ewan MacDonald Russell**

Head of Policy & External Affairs, SRC

**M** 07801 629088

**E** [Ewan.MacDonald-Russell@brc.org.uk](mailto:Ewan.MacDonald-Russell@brc.org.uk)

**KPMG**

15 Canada Square  
London, E14 5GL

**T** 020 7311 1000

**W** [www.kpmg.co.uk](http://www.kpmg.co.uk)

**Rory Brown**

Corporate Communications Manager

**E** [Rory.brown@kpmg.co.uk](mailto:Rory.brown@kpmg.co.uk)

---

The November 2022 Monitor, covering the four weeks 30 October – 26 November 2022, will be released at 00.01am Wednesday 14<sup>th</sup> December 2022.



The Scottish Retail Consortium (SRC) is Scotland'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.

#### 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:

James Hardiman

0207 854 8970

[james.hardiman@brc.org.uk](mailto:james.hardiman@brc.org.uk)