

Scots shop sales slide continues with bleak November figures

Covering the four weeks 31 October – 27 November 2021
Strictly Embargoed until 00:01 hrs – Wednesday 15th December 2021

nov: like-for-like
% change year on year

1.8%

In November, Scottish sales increased by 1.8% on a Like-for-like basis compared with November 2020, when they had decreased by 9.6%. This is above the 3-month average increase of 0.9% and below the 12-month average of 10.0%.

nov: total
% change year on year

2.6%

Total sales in Scotland increased by 2.6% compared with November 2020, when they had decreased by 10.2%. This was above the 3m average growth of 1.9% and below the 12-month average of 11.7%.

nov: Total food
% change year on year

-2.2%

Total Food sales decreased by 2.2% versus November 2020, when they had increased by 4.8%. November was below the 3-month growth of -0.9% and the 12-month average growth of 0.9%. The 3-month average was below the UK level of 0.1%.

nov: Total NON-FOOD
% change year on year

6.7%

Total Non-Food sales increased by 6.7% in November compared with November 2020, when they had decreased by 22.8%. This was above the 3-month average growth of 4.3% and below the 12-month average growth of 20.8%.

nov: Total ONLINE ADJUSTED Non-Food
% change year on year

-7.5%

Adjusted for the estimated effect of Online sales, Total Non-Food sales decreased by 7.5% in November versus November 2020, when they had decreased by 4.8%. This is below the 3-month average decline of 2.8% and the 12-month average growth of 28.0%. The UK's 3m average growth was 3.9%.



SRC-KPMG SCOTTISH RETAIL SALES MONITOR NOVEMBER 2021

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Ewan MacDonald-Russell, Head of Policy | Scottish Retail Consortium

“November was less Black Friday and more bleak winter as Scottish retail sales slipped by 13.4 percent compared to pre-pandemic trading. This is deeply concerning for the industry who have seen weak and disappointing trading for the first two months of the golden trading quarter. With the Omicron variant of Covid now posing a question about consumer demand and going out the prospects for strong trading in the final days up to Christmas look decidedly uncertain.

“Food sales remain a bright spot with growth on pre-pandemic sales, albeit much of that growth will be the result of higher food prices as supply chain pressures start to feed through. In non-food Black Friday appeared to be less of an event – with online purchases being replaced in some cases by higher store-based purchases as customers sought to maximise the chance of products being available.

“Retailers are trading in intensely difficult conditions with consumers facing rising costs and an uptick in uncertainty with the rise in Covid cases. It’s therefore disappointing the Scottish Government failed to provide the support necessary for retailers in last week’s Budget. That looked like a short-sighted decision at the time, and these figures provide further proof the industry would have benefitted from support. If trading doesn’t improve substantially or if restrictions are placed upon the industry or shoppers in the near future, then Scottish Ministers will need to revisit this approach if they don’t want to deal with the consequences for stores or the health of our retail destinations in 2022.”



Paul Martin, Partner, UK Head of Retail | KPMG

“Scots determined to enjoy Christmas hit the high street in November with sales up 2.6% compared to the same period last year. While that may sound positive, it’s important to remember that in November 2020, a large slice of Scotland entered local lockdowns, pushing many consumers to buy goods online. That makes these figures reasonably unimpressive, particularly as they remain some way off pre-pandemic levels of spending.

“Scotland’s high streets dominated sales growth in November, helped by the fact consumers were given extra confidence by the vaccine and booster roll out, and were motivated to secure the gifts they wanted for Christmas at physical stores rather than online. Retailers will be hoping consumer confidence builds in December and will be keeping a very close eye on the Scottish Government’s COVID-19 updates, as we head into the vital few shopping weeks before Christmas.

“As we look ahead to the new year, rising costs continue to bite into margins. Supply chain issues have impacted the availability of goods, leaving retailers with very little room for the mega discounting events we have seen in previous January sales.”

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

BY TINA SPOONER, STRATEGIC INSIGHT MANAGER

CATEGORY	UP/ DOWN NOV 2021		GROWTH RANKINGS (TOTAL SALES)				
	LFL	TOTAL	NOV 2021	OCT 2021	NOV 2020	3M AVG	12M AVG
Clothing & Footwear	▲	▲	1	1	3	1	1
Other Non Food	▼	▼	2	3	2	3	2
Food & Drink	▼	▼	3	2	1	2	3

Source: SRC-KPMG RSM

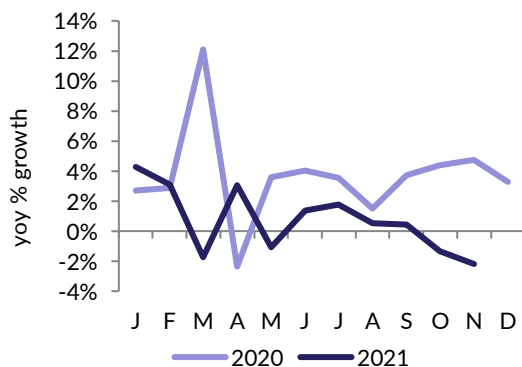
OVERVIEW

While November saw a slight improvement in the year-on-year performance in the Scottish retail market, with Total sales growing 2.6%, one could be forgiven for thinking this is positive news. However, looking at last year's performance, we can see the November growth is on the back of a double-digit decline in the same month last year, when a large slice of Scotland entered local lockdowns, and is, therefore, a rather unimpressive result. The 2-year comparison demonstrates a clearer picture - a prolonged weakness in the market, evidenced by an acceleration in retail sales decline for the fifth consecutive month, with both Total and Like-for-like sales down 13.4% Yo2Y in November. On a more positive note, Food sales continue to perform ahead of pre-pandemic levels, with November recording 2.5% growth compared with November 2019. Black Friday promotions helped drive sales in some categories during November, including apparel, boosted by early Christmas gifting purchases. While demand for large household appliances continues to wane, promotional activity over the Black Friday period was said to have driven a significant increase in sales of smaller electrical items.

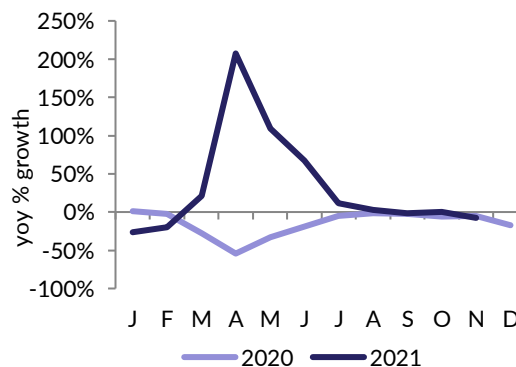
UK weather during most of November was on the mild side, with many areas seeing some settled spells. However, the last 10 days of the month were much colder and more unsettled, with Storm Arwen of note on the 26th and 27th. Rainfall levels were within the average range for November, except the far North West of Scotland which saw above average rainfall during the month.

Tina Spooner, Strategic Insight Manager

TOTAL SALES: FOOD YEAR-ON-YEAR



ONLINE ADJUSTED NON-FOOD YEAR-ON-YEAR



Source: SRC-KPMG RSM

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FOOD

For the second consecutive month, the Total Food category recorded a year-on-year decline, with sales down 2.2% in November compared with the same month last year. The decrease accelerated from the previous month and reached the steepest decline recorded since April last year, when the lack of Easter celebrations, together with the stock piling in March, had a negative impact on sales. However, on a 2-year basis, Total Food sales continue to grow compared with pre-pandemic levels, with sales up 2.5% in November compared with the same month in 2019. Food inflation accelerated to 1.1% last month, up from 0.5% in October, according to the BRC-Nielsen Shop Price Index (SPI). This is the highest inflation rate recorded since November last year.

NON-FOOD

While the year-on-year performance in Non-Food improved during November from the previous month, the growth of 6.7% is hardly reason for celebration when compared with the performance in November 2020, when sales declined 22.8% year-on-year. The Yo2Y performance paints an even bleaker picture, with November sales down 26.8% compared with the same month in 2019.

CLOTHING AND FOOTWEAR YEAR-ON-YEAR



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

The overall trend in the Clothing and Footwear categories remained unchanged from October, with sales continuing to recover on a year-on-year basis. However, sales remain significantly below pre-pandemic levels, with the November Yo2Y performance recording the steepest decline since April this year.

CLOTHING

The strong year-on-year growth in Clothing & Footwear continued during November, in line with the trend observed during October, with sales up more than double the growth rates recorded over the summer months. Both menswear and womenswear were said to have performed well, boosted by Black Friday promotions towards the latter part of the month, while early Christmas gifting purchases helped drive sales of women's nightwear and lingerie.

FOOTWEAR

There was reportedly an increase in demand for formal footwear during November, especially in the men's category, which was likely boosted by planning for social events in the run up to the festive season. However, stock availability challenges continue to hamper sales for some retailers.

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OTHER NON-FOOD YEAR-ON-YEAR



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

Following three months of year-on-year decline in the Other Non-Food category, during November the downward slide continued, with the sales steepening further. Also, on a 2-year basis this category continues to perform significantly below 2019 levels, with the November decline accelerating for the sixth consecutive month.

Other Non-Food includes in particular:

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

While supply chain issues continue to hamper sales of some products, including larger items of furniture, it was reported that longer lead times in the run up to Christmas has also deterred consumers from purchasing larger items, with no guarantee that goods will arrive before 25th December. On a positive note, with the Christmas festivities fast approaching, bringing more opportunities to entertain at home, dining wares were said to have performed well during November.

ELECTRICALS & ELECTRONICS

The demand for household appliances continues to wane following the glut of spending observed earlier in the pandemic, when there was a surge in consumer spending on home improvements. However, during November the return of Black Friday was said to have driven a significant increase in demand of smaller electrical items, no doubt boosted by Christmas gifting purchases.

HEALTH & BEAUTY

Discounts and promotions over the Black Friday period boosted sales of beauty products, with make-up, fragrance and skincare all reported to have performed well during the month. Gifting sets and body lotions were also said to have sold particularly well, together with the perennial favourite of beauty advent calendars that have now become a staple of festive spending in this category.

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RETAIL SALES YEAR-ON-YEAR PERCENTAGE GROWTH

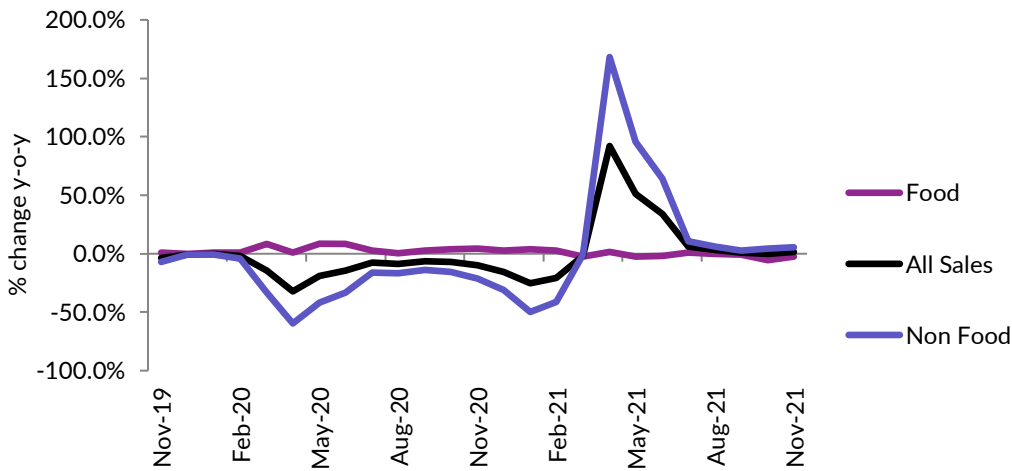
	SCOTLAND						UK	
	LIKE-FOR-LIKE			TOTAL			LFL	TOTAL
	FOOD	NON-FOOD	ALL SALES	FOOD	NON-FOOD	ALL SALES	ALL SALES	
2020 Nov	4.1	-21.2	-9.6	4.8	-22.8	-10.2	7.7	0.9
2020 Dec	2.5	-30.8	-15.6	3.3	-33.4	-16.6	4.8	1.8
2021 Jan	3.9	-49.7	-25.2	4.3	-54.8	-27.9	7.1	-1.3
Feb	3.0	-41.1	-21.0	3.1	-47.4	-24.3	9.5	1.0
Mar	-2.4	-1.0	-1.6	-1.7	-10.6	-6.6	20.3	13.9
Apr	1.5	168.2	92.1	3.0	195.9	107.9	39.6	51.1
May	-2.3	95.8	51.0	-1.1	112.9	60.9	18.5	28.4
Jun	-1.7	64.4	34.2	1.4	69.9	38.6	6.7	10.4
Jul	1.0	10.5	6.2	1.8	12.1	7.4	4.7	6.4
Aug	-0.2	6.3	3.4	0.5	5.4	3.2	1.5	3.0
Sep	-0.8	2.6	1.1	0.4	2.1	1.3	-0.6	0.6
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
3m avg	-2.8	4.0	0.9	-0.9	4.3	1.9	0.2	2.2
12m avg	-0.3	18.7	10.0	0.9	20.8	11.7	9.3	9.9
	UK							
3m avg	-0.5	0.9	0.2	0.1	3.9	2.2		

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

SRC-KPMG SCOTTISH RETAIL SALES MONITOR NOVEMBER 2021

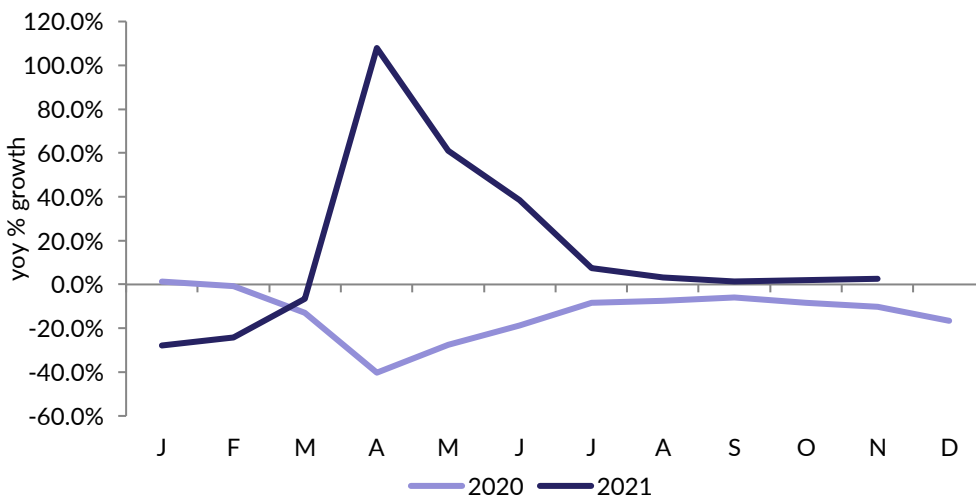
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LIKE-FOR-LIKE SALES: % CHANGE YEAR-ON-YEAR



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

MONTHLY TOTAL SALES GROWTH YEAR-ON-YEAR

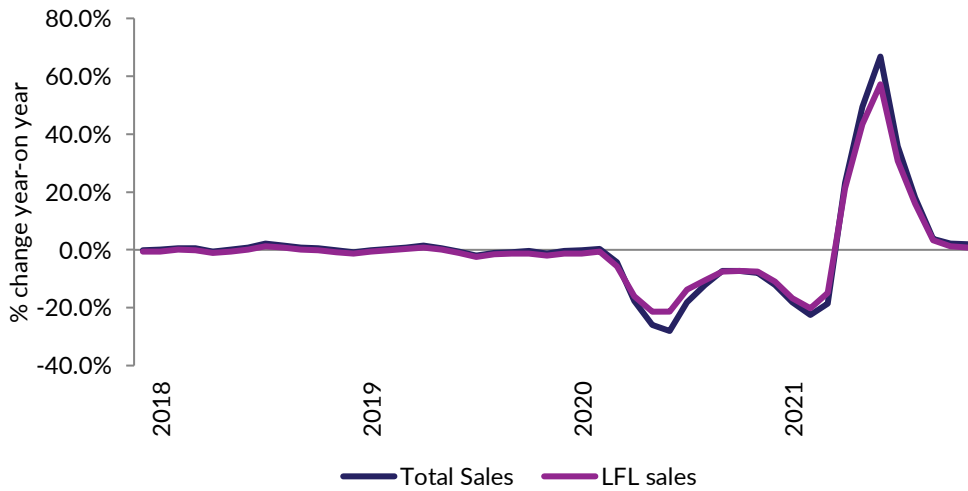


Source: SRC-KPMG RSM (not online-adjusted)

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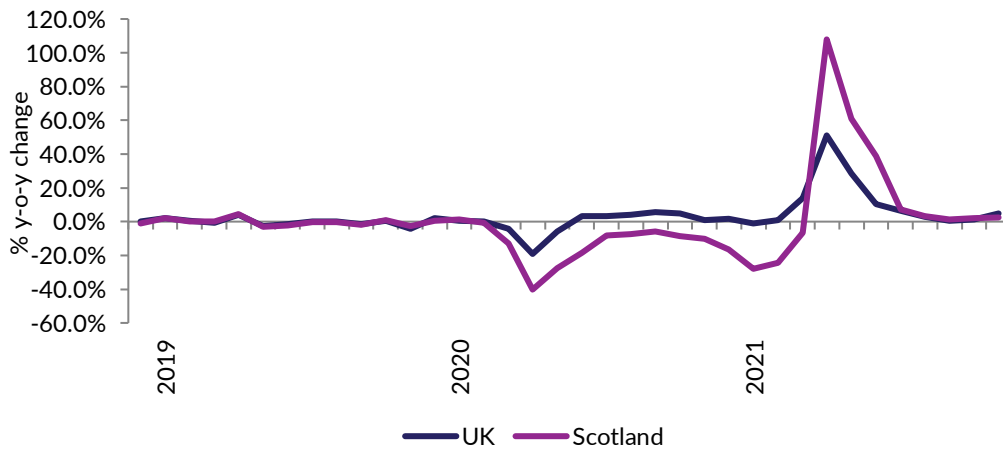
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SCOTLAND 3M ROLLING AVERAGE GROWTH OVER FIVE YEARS



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 NOVEMBER 2021

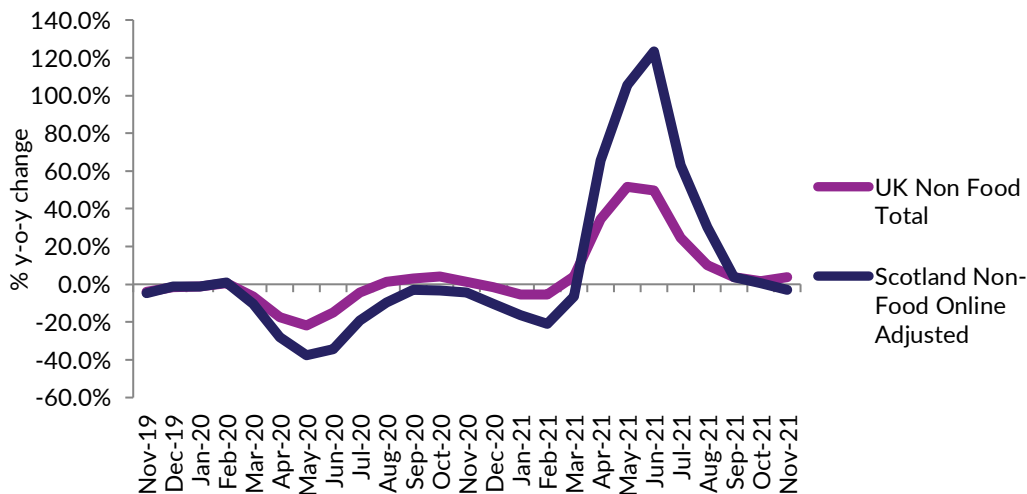
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NON-FOOD SALES GROWTH INCLUDING EFFECT OF ONLINE SALES

MONTH	SCOTLAND				UK	
	MONTHLY		3 MONTH AVERAGE		3 MONTH AVERAGE	
	LFL	TOTAL	LFL	TOTAL	LFL	TOTAL
2020 Nov	-3.2	-4.8	-2.4	-4.2	6.4	1.3
2020 Dec	-15.1	-17.7	-7.5	-10.2	5.1	-1.5
2021 Jan	-21.3	-26.4	-13.4	-16.4	5.6	-5.6
Feb	-13.9	-20.2	-16.6	-21.1	6.6	-5.5
Mar	30.5	20.8	0.9	-6.3	19.5	4.2
Apr	179.7	207.4	62.7	65.6	40.4	34.6
May	92.4	109.5	95.4	105.5	48.3	51.6
Jun	61.7	67.2	107.5	123.4	38.8	49.6
Jul	10.1	11.7	55.3	63.1	17.6	24.6
Aug	4.1	3.1	28.1	30.4	6.8	10.3
Sep	-1.1	-1.7	3.9	3.9	1.6	3.8
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

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.

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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.



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The December 2021 Monitor, covering the four weeks 28 November 2021 – 1 January 2022, will be released at 00.01am Wednesday 19th January 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.

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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, please contact:

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