

BRC-KPMG Retail Sales Monitor April 2009

Covering the four weeks 5 April – 2 May 2009

Strictly Embargoed until 00:01 hrs – Tuesday 12th May 2009

SUN AND EASTER BOOST SALES

APRIL % change on year ago	
Like-for-Like	Total
All Categories	
4.6%	6.3%

FEBRUARY – APRIL: 3-MONTH WEIGHTED AVERAGE % change on year ago					
Like-for-Like			Total		
Food	Non-Food	All Categories	Food	Non-Food	All Categories
5.3%	-2.9%	0.4%	6.9%	-0.9%	2.2%

- UK retail sales values rose 4.6% on a like-for-like basis and rose 6.3% on a total basis, from April 2008, when sales were very weak in the cold wet weather after Easter fell in March.
- Easter falling in April this year but in March last year, together with warm sun this April but cold and rain last April, make comparisons difficult.
- Easter and the warmer weather boosted both food and non-food sales. In non-food, clothing, footwear and outdoor leisure showed the best growth but big-ticket homewares and furniture sales remained difficult.
- Non-food non-store sales (internet, mail-order and phone sales) in April were 12.5% higher than a year ago, thus following the month's uplift in store sales.

Stephen Robertson, Director General, British Retail Consortium, said:

"The best sales growth for three years is good news but let's be cautious. A sunny Easter that fell in April this year is the key reason why overall sales are up compared with last year when Easter was in March and miserable. Sales of garden goods, outdoor leisure, clothing and food did well but other non-food sectors missed out on the seasonal boost and the total spent on food rose less than food inflation, indicating the amount sold dropped.

"Following a tough winter, there's some pent up demand but there's no reason to think customers suddenly feel flush or eager to spend. With unemployment set to grow through the rest of the year, mounting jobs worries will hold back spending for some time. It would be great if the historically weak performance of the last twelve months was behind us but we shouldn't celebrate yet."

Helen Dickinson, Head of Retail, KPMG, said:

"Although, on the face it, the results for April show a healthy year-on-year uplift, it would be dangerous to see the figures as a sure sign that consumer confidence has returned just yet. The month in which Easter fell (April this year and March last year) flatters this year's figures somewhat. The good weather conditions and the timing of the school holidays, which has driven some particularly strong results for children's clothing and footwear, also buoyed this month's performance. What they do show is that consumers are remaining resilient to the prospects presented by a gloomy economic outlook and, for the moment at least, are not making a step change in reducing their spending."

Food & Drink – Joanne Denney-Finch, Chief Executive, IGD, said:



"Food and drink sales for the last three months were 5.3% higher on a like-for-like basis than the same period a year ago. Easter gave April a big boost and encouragingly the second half of the month also performed well – thanks to some better spring weather.

"While many shoppers are delaying the purchase of big-ticket items, nearly three-quarters told IGD in a recent poll that they are 'carrying on as normal' with their grocery shopping - although of course they are seeking out the best deals and promotions, shopping around and scrutinising value."

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Non-Food Non-Store* - Sharon Hardiman, Head of Non-Store Retailing, BRC, said:

Non-food Non-Store Sales
% change on a year ago
12.5%

"Non-store grew faster than shop sales but the gap in growth rates narrowed significantly as store sales did better than in recent months.

"Online and catalogue sales were boosted by extra customer interest in many of the same things doing well in stores - DIY, outdoor furniture and toys, sandals and summer clothes.

"That took non-store sales growth back up to virtually the same rate seen in February but it was well below the rates seen in December and January, showing this route to customers is not immune from the effects of recession."

Notes

The BRC-KPMG Retail Sales Monitor measures changes in the actual value (including VAT) of retail sales from a sample of retailers. The Monitor measures the value of spending and hence does not adjust for price 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.

'Like-for-like' sales growth 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. Therefore like-for-like sales growth will always be lower than total sales growth. 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.

Non-Food Non-Store sales are transactions which take place over the internet, or via mail order or via telesales. They are part of total sales as reported by the retailer participants. Non-Food Non-Store sales growth is the percentage change in the value of all non-food non-store sales compared to those in the same period a year earlier. It is a guide to the growth of sales made by this non-store channel. It should be noted that Non-food Non-store sales are still a very small proportion of total UK retail sales. Estimates based on ONS figures show that less than 4 per cent of total UK retail sales (food and non-food) are achieved via the non-store channel.

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 UK 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.

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



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data is entirely the responsibility of the retailers providing it. The sponsorship role has been performed by KPMG since 10 April 2000 and save 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 April 2009 Monitor covers the four weeks 5 April – 2 May 2009 and provides the most up-to-date reflection of recent retail performance.

The May 2009 Monitor, covering the four weeks 3 – 30 May 2009, will be released at 00.01am Tuesday 9 June 2009.

The data is collected and collated for the BRC by KPMG.

BRITISH RETAIL CONSORTIUM
for successful and responsible retailing

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