RetailEconomics

Retail Industry Outlook

Monthly

Retail Sales Forecast

[redacted]

Retail sales are forecast to rise X.X% YoY in 2022, according to Retail Economics

Inflation Forecast

[redacted]

CPI Inflation is forecast to peak at X.X% in October, according to Bank of England forecasts

Consumer Confidence

-40

Consumer confidence hit a record low of -40 in May, according to GfK

Household Saving Ratio

6.8%

Household savings as a proportion of disposable income eased to 6.8% in Q4 2021, from 7.5% in Q3 (ONS)

Vacancy Rate

14.1%

UK retail vacancy rate was 14.1% in Q1 2022, down from 14.4% in Q4 2021 (LDC)

Contents

RetailEconomics

Sector	Market Growth 2022F	Outlook Summary
Food & Grocery	• [redacted]	• Grocery is coming under pressure as consumer spending is rebalancing with more at restaurants/hospitality, reflecting less working-from-home and strong pent-up demand for socialising – particularly against comparisons to the third lockdown in 2021. • With household incomes set to be squeezed in 2022, low-middle consumers in particular are likely to revert to savvy, recessionary behaviours, trading down on products and shopping around. This is likely to see market share shift in favour of discounters. • Online Food & Grocery are likely to weaken against extremely tough comparisons and consumers wanting to do more frequent shopping with smaller basket sizes.
Clothing & Footwear	• [redacted] (Clothing) • [redacted] (Footwear)	• Clothing & Footwear sales are set to benefit as consumers learn to live with Covid-19, seeing demand more aligned with pre-pandemic levels, helped by the return of social occasions (e.g. holidays, weddings, nightlife) and a return to office work. • However, supply chain issues are likely to persist, putting pressure on margins – particularly for fast fashion players reliant on higher sales frequency at lower margins.
Electricals	• [redacted]	• Stay-at-home consumers during 2020-21 brought forward the cycle of upgrading electrical devices, as households embraced remote working and home entertainment. The sector is also facing a period of cyclical challenges as the latest generation of games consoles provide less support (PlayStation 5 and Xbox Series X). • Against these tough comparisons, the Electricals sector is set to decline. The category is highly price sensitive, making it difficult for retailers to pass on escalating costs against a backdrop of squeezed household incomes and softer consumer confidence.
Furniture & Flooring	• [redacted]	• Strong levels of housing transactions supported sales last year. But the category is grappling supply chain challenges, including retailers struggling to fulfil orders within usual timeframes with limited availability. As freight faces delays and prices rises, suppliers and retailers trying to transport bulky items are less able to find alternative means of transport to ease issues. • Additionally, rising living costs are set to see market share shift in favour of those that offer strong value propositions, including interest-free credit.
Homewares	• [redacted]	• A cooling housing market compared to recent highs, as well as cost of living concerns are set to see the category lose some momentum over 2022. • However, Homewares is expected to perform better than the big-ticket Furniture sector, given lower transactions values and less dependence on the volume of housing transactions. • Many consumers gained a taste for making cosmetic changes to their homes during the pandemic, and this "improve, not move" mentality will also help Homewares. • The market is facing stiffer competition from retailers diversifying to expand their home ranges. Primark is among a number of retailers expanding their homeware ranges across soft furnishings and home accessories.
DIY & Gardening	• [redacted]	• DIY & Gardening performed strongly throughout the pandemic, as consumers spent more time at home and invested new-found time and savings into improving their home life. • In 2022, momentum within the category is expected to slow as society returns towards some semblance of normality, with consumers time under greater pressure as socialising recovers. But as discretionary incomes come under pressure in 2022, some parts of DIY could outperform as consumers take on distress projects themselves.
Health & Beauty	• [redacted]	• Sales of Health & Beauty are expected to bounce back over 2022 as restrictions lift. Workers returning to offices (albeit in lower numbers than pre-pandemic) and more social events are set to see demand for 'out-of-home' beauty categories pick-up considerably. • A greater focus on personal hygiene and healthy living (e.g. skincare) are trends that have been reinforced by the pandemic, supporting a recovery in demand.

Consumer outlook

Theme	Data and forecasts	Summary	Indicators	Sentiment
Inflation	• CPI Inflation: 9.0% (April) • Inflation rate among least affluent: 11.2% (April)	• CPI inflation hit a 40-year high at a 9.0% in April, as Ofgem's energy price cap rose, hospitality VAT returned to 20%, and the Russia-Ukraine war intensifies commodity prices. • As the least affluent households spend a disproportionate amount of their income on staples, they are facing higher rates of inflation as essential costs rise. Retail Economics estimates that the least affluent saw inflation rates of 11.2% across their spending in April, compared with 8.8% for the most affluent families.	• ONS CPI • Retail Economics Cost of Living Tracker	
Labour market	• Unemployment: 3.7% (March) • Regular pay growth: 4.2% (March) • Nominal earnings among most affluent: 4.6% (April)	• Record high job vacancies and falling unemployment to below pre-pandemic levels has seen fewer unemployed people than job openings for the first time. • Annual pay continues to rise, supported by a tight labour market that is seeing greater bargaining power among employees. • But regular pay ultimately lags inflation. At time of writing, public sector pay in particular is set to lag inflation throughout 2022. Overall across industries, adjusted for inflation, real regular pay declined by 1.2% in the three months to March. • By household, Retail Economics estimates the least affluent households are facing the weakest earnings growth and the largest fall in real earnings, impacted by pay declines across arts, entertainment and recreation industries.	• ONS Labour Market Statistics • Retail Economics Cost of Living Tracker	
Confidence and personal finances	• Consumer confidence: -40 (May) • Household saving ratio: 6.8% (Q4 2021)	• Retail Economics' Shopper Sentiment Survey shows that concerns around inflation outstrip fears of Covid, lack of savings and debt for over half of consumers. • As prices rise and the Russia-Ukraine war continues, consumer confidence has dropped to its lowest level on record (GfK). • The government has responded with the Spring Statement, which is seeing a softening of National Insurance Contributions rises and tax incentives on renewable energy. But the measures do not go far enough for the low and low-middle affluence households, who are set to see sharp declines in discretionary income in 2022.	• Retail Economics Cost of Living forecast • Retail Economics consumer survey • ONS household savings ratio • GfK consumer confidence • Bank of England estimates • OBR forecasts	
Housing market	• House prices: 10.8% (April) • Buyer enquiries, net balance: 10% of agents report increase (April)	• A spring wave of buyer activity has supported the residential market in recent months, as middle-high affluence households spend down excess savings and lock-in low mortgage rates. • Buyer demand remains positive, with a net balance of +10% of agents noting a rise. • But downside risks are mounting including rising interest rates and limited stock of houses for sale.	• Halifax house price index • RICS residential survey • Bank of England mortgage approvals	

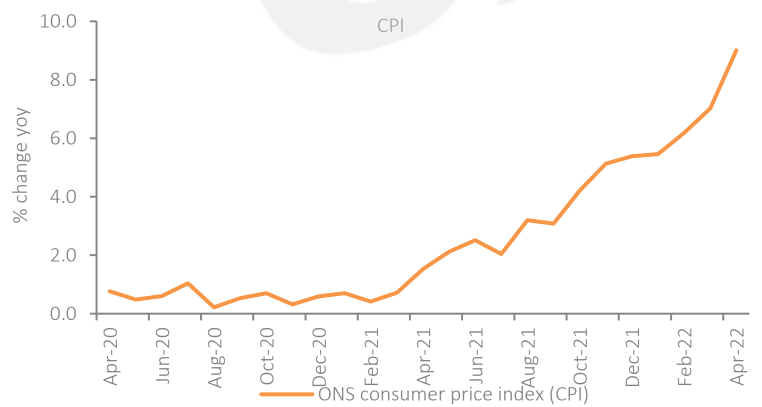
* All growth figures are expressed as year-on-year growth unless stated otherwise

Impact on consumer sentiment: = Net negative = Net neutral = Net positive

Inflation

- CPI inflation hit an eyewatering 40-year high at a 9.0% YoY rise in April, as pressure on supply chains (intensified by the Russia-Ukraine war) is driving cost-push inflation.
- Inflation has been in the pipeline, with April's rate driven by the 54% step up in Ofgem's energy price cap, VAT returning to 20% for accommodation and hospitality and fuel nearing record highs.
- As the least affluent households spend a disproportionate amount of their income on staples such as food and energy, they are disproportionately suffering from the current high inflation.
- Given the uneven impact of rising prices, it's become critical to look beyond averages from official sources and split out inflation by household to understand the level of inequality across UK families.
- Looking at inflation rates by household reflects the relative composition of spending by different households, which changes over time.
- Retail Economics modelling shows that the least affluent households saw inflation rates of 11.2% across their spending in April, compared with 8.8% for the most affluent families.

CPI Inflation at a 40-year high

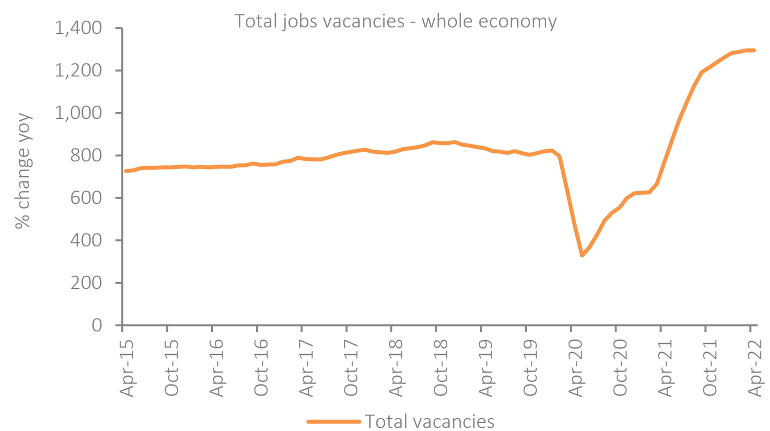


Source: ONS

Labour market

- A tight labour market – including job vacancies at record levels – is helping to support earnings.
- For the first time since records began, there are fewer unemployed people than job openings, with vacances hitting a record 1.3 million in the quarter to April. Unemployment has fallen below pre-pandemic levels at 3.7% in the quarter to March. However, the employment rate remains below pre-pandemic levels, as many people have chosen to leave the workforce over the course of the pandemic.
- Annual pay continues to rise, but regular pay lags inflation. Regular and total pay (which includes bonuses) growth rose by 4.2% and 7.0% respectively in the three months to March, compared to a year earlier. In real terms (adjusted for inflation), total pay rose 1.4% in the period, while regular pay declined 1.2%.
- Nominal earnings growth by household is being supported by different areas of the economy. Retail Economics estimates earnings growth among the most affluent households at 4.6% is being supported by robust annual gains across finance, insurance and professional services.
- Meanwhile, the least affluent households are facing the weakest earnings growth at 4.1%. This is being helped by double digit year-on-year earnings growth across accommodation and food service activities, as hospitality firms struggle to find staff, but dragged by declines across arts, entertainment and recreation.

Fewer unemployed people than job vacancies for first time



Source: ONS

Inflation rate

9.0%

CPI Inflation hit a 40-year high at 9% in April, following a 7% rise in March (ONS)

Earnings growth

4.2%

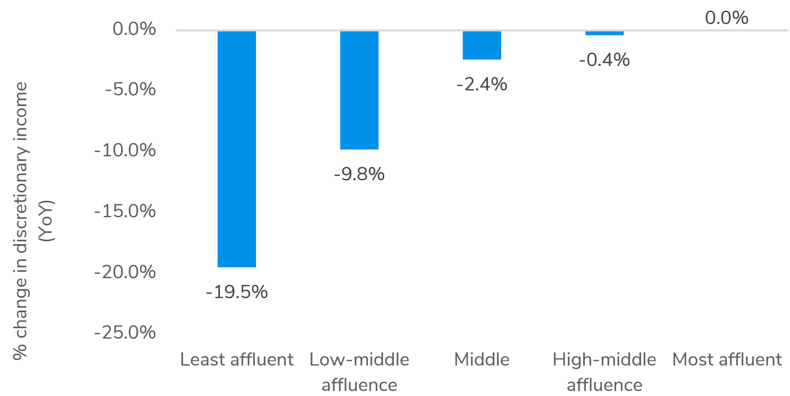
Regular pay of 4.2% in March lags consumer price rises (ONS)

As the least affluent households spend a disproportionate amount of their income on staples such as food and energy, they are disproportionately suffering from the current high inflation.

Confidence and personal finances

- Optimism around the UK lifting of Covid restrictions during the first quarter of the year has been tainted by consumer prices surging to its highest rate since the early 1980s, with the outlook showing that inflation is set to persist and even accelerate in 2022.
- Living costs are rapidly rising, exacerbated by Russia's invasion of Ukraine and a fourth rise in interest rates in five months.
- Retail Economics' consumer panel data shows that concerns around inflation outstrip Covid, which dominated last year. April's Shopper Sentiment Survey (Retail Economics) shows that the greatest concern for a high 56% of consumers is rising prices – up sharply from 34% in January, well ahead of concerns about Covid, job security and debt.
- Consumer confidence data from GfK in May dropped to its lowest level on record (from 1974) as indicators for personal finances and the general economy have fallen to historic lows.
- The government responded to growing cost of living pressures in March's Spring Statement, but there's risk that new policy measures do not benefit those that need it most. The National Insurance Contribution (NIC) changes are a case in point, which has seen the Chancellor stick with April's NIC rise by 1.25 percentage points, but soften its impact from July when the NIC threshold rises significantly by £2,690.
- From July, low-middle and middle affluence households are set to benefit from the NIC change. Forecasting by Retail Economics shows that middle-low affluence consumers can expect to pay some £260 less in NIC per year on average, while the average top earner is set to pay £1,000 more.
- But critically, the average household in the least affluent quintile does not typically pay NIC at all, which means the changes bring no benefit to them in the short term.
- Earnings growth in 2022 is expected to rise by 5.3% on average (OBR forecast). This will shore up personal finances among higher affluence groups. But as universal credit and public sector pay is set to increase at a lower pace than average earnings, it points to discretionary spending under pressure for the least affluent.
- Combining forecasts (OBR + Bank of England + the Treasury), Retail Economics estimates that the least affluent will see discretionary income (after staple and work-related expenses) fall by 19.5% in 2022. Overall, some £12bn of discretionary spending is set to be eroded this year, which is equivalent to the size of the whole DIY & Gardening sector.
- The pressure on middle to high affluence households is expected to be cushioned by savings built up since the pandemic. Bank of England estimates show UK consumers accumulated an additional £260bn of savings throughout lockdowns from less commuting, holidays and social activities – which is heavily skewed toward more affluent households.
- With fewer savings, the least affluent are already starting to adopt recessionary behaviours. This is already seeing consumers return to trading down in essential categories such as food, with sales of own label supermarket items outperforming brands for the first time in three months (Kantar).
- As consumers look to stretch their budgets, discounters are benefiting. Visits to Aldi are up by 1.3 million YoY (12 weeks to 20 February) and Lidl's visitor numbers increased by nearly one million.

Least affluent face disproportionate hit to discretionary spending power in 2022



Source: Retail Economics Cost of Living Tracker

Consumer Confidence

-40

Consumer confidence hit a record low in May (GfK)

Household Saving Ratio

6.8%

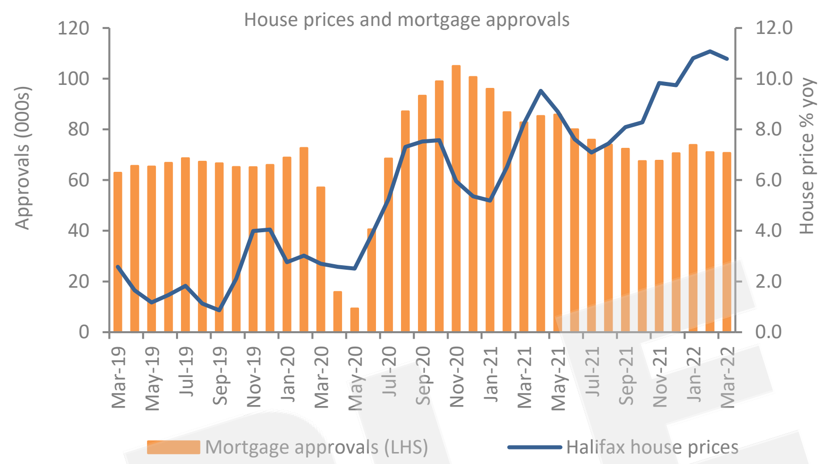
Household savings as a proportion of disposable income eased to 6.8% in Q4 2021 (ONS)

The least affluent are already starting to adopt recessionary behaviours. This is already seeing consumers return to trading down in essential categories such as food.

Housing market

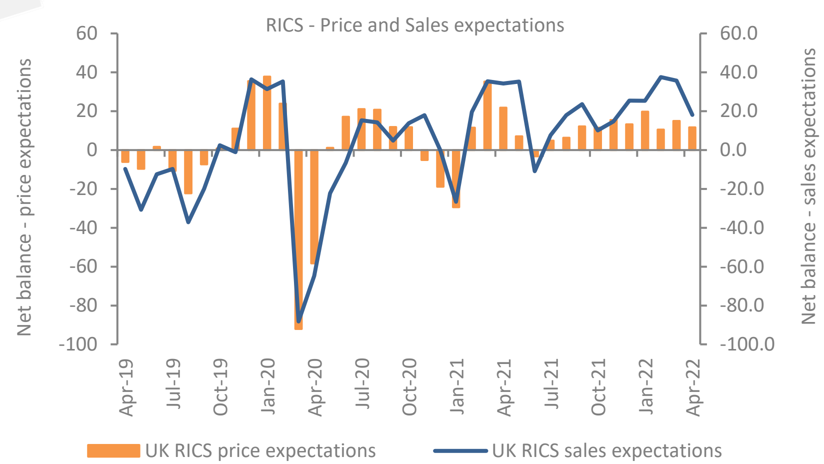
- A spring wave of buyer activity has supported the residential market in recent months, as middle-high affluence households spend down excess savings accumulated during the pandemic. But downside risks are mounting.
- A survey among estate agents by housing trade body RICS shows buyer enquiries for April continued to pick up, with a net balance of +10% of agents noting a rise.
- This has supported house prices, which rose by 10.8% YoY in April (Halifax) with average house prices reaching a new record high of £286,079. This means that average prices have risen by £47,568 over the last two years alone.
- But as the stamp duty holiday demonstrated, the performance and churn of the residential housing market is being slowed down by onerous taxation related to home moves, which is impacting the number of homes available for sale.
- Average stock levels on estate agents' book has remained low historically; and the number of appraisals being undertaken has been largely unchanged compared to a year ago.
- Sales expectations among estate agents for a year's time has slowed for four consecutive months, recording a negative net balance of -4% in April.
- The number of mortgage approvals (a forward indicator) eased in March to 70,691 from 70,968 in February, but remained ahead of the previous six-month average of 70,451.
- Consumers are likely to adopt an 'improve not move' mentality as house prices remain lofty, interest rates step up and living costs rise.
- For now, solid demand comes on the back of:

1) Mortgage rates remaining at historically low levels
2) Involuntary savings accumulated during lockdown periods, being drawn down for house moves and bolstering deposits
3) Lack of new builds and houses for sale



Source: Bank of England, Halifax

House prices rise at fastest rate since 2014



Source: RICS

House Prices

+10.8%

UK house prices remained in double digits YoY in April (Halifax)

Expectations

+24%

A new balance of +24% of estate agents expect house prices to rise further over the next three months (RICS)

Consumers are likely to adopt an 'improve not move' mentality as house prices remain lofty, interest rates step up and living costs rise.

Theme	Data	Summary	Indicators
Cost pressure and supply chains	• Input inflation: 18.6% YoY (April) • Output inflation: 14.0% YoY (April)	• The Russia-Ukraine war has intensified global commodity supply and prices, across essentials such as wheat, gas and oil. • This is squeezing both household and firms' energy and transport costs. Input inflation remained at record highs in April, while factory gate inflation (output prices) hit its highest level since July 2008. • Supply chain pressure caused the economy to shrink by 0.1% in March following a flat performance in February. The Bank of England forecasts that the economy will contract later this year as inflation surpasses 10% in Q4.	• ONS PPI • ONS GDP • Bank of England forecasts
Flight to value and operating costs	• Footfall: -17.4% (Sept vs Sept 19) • Retail Sales Forecast: X.X% (Q421) • Online Retail Penetration Forecast: X.X% (Q421)	• Consumers are adopting recessionary behaviours, putting retail profitability under pressure at a time when operating costs are on the rise. • As operating costs rise, retailers are having to jack up prices. Previously price competitive categories such as Clothing & Footwear have seen prices rise by to 8.3% YoY in April, following record rises. This undermines certain business models such as fast fashion. • A flight to value is seeing shoppers turn to discount retailers. The share of grocery spend going to Aldi and Lidl has grown by 1.8 percentage points between January and May, while the 'Big Four' have seen the share of spend decline by 1.2pp (HyperJar).	• ONS CPI • Baltic Dry Index • HyperJar
Retail property	• Vacancy rate: 14.1% (Q1 2022) • Rental expectations, net balance: -1%/-24% agents expect a rent decline in primary/secondary locations	• Footfall remains down on pre-pandemic levels, while a step up in online sales since Covid-19 has left many retailers with expansive store estates at risk of grappling cost structures disproportionately weighted towards physical channels. • Stores are transitioning away from being purely transactional as digital becomes embedded across the customer journey, including greater prevalence of click-and-collect services. • The economics of stores are adjusting to this new reality, including a softening of rental costs (-0.9% in Q4 2021, Retail Economics). • A net balance of 24% of property agents expect rents to continue to decline in secondary locations over the next year. • On a quarterly basis, Retail Warehouses performed strongly, outperforming both Shopping Centres and High Street Shops.	• LDC vacancy rates • RICS • Retail Economics Cost Base Index

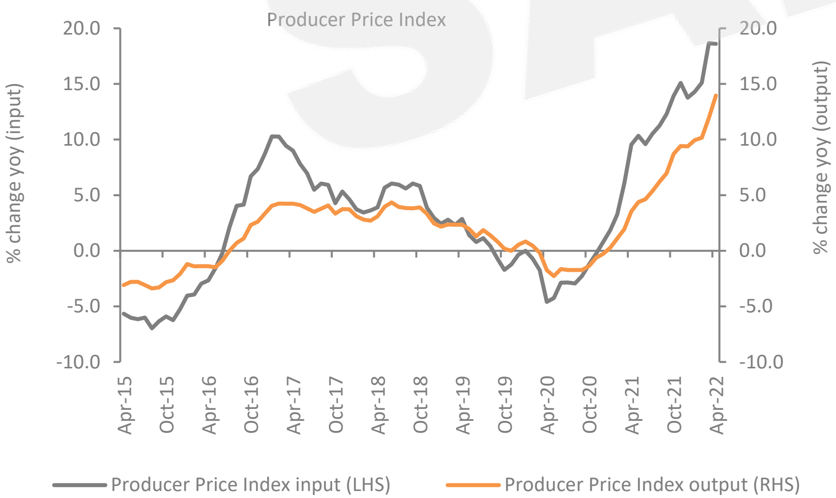
* All growth figures are expressed as year-on-year growth unless stated otherwise

Interactive Contents

Cost pressure and supply chains

- Supply chain disruption has impacted retailers throughout the pandemic, with absences and shortages unable to keep pace with the recovery in demand as global Covid restrictions ease.
- Recent industry consensus was that pandemic-induced supply chain dislocation was expected to smooth itself out by 2023. But Russia's fierce and ongoing invasion of Ukraine has thrown uncertainty over the ability for supply chains to recover this year.
- The invasion has intensified pressure on global commodity costs and the ability to move products in territories. Disruption in Ukraine as the 'breadbasket of Europe' and major agricultural exporter has seen wheat spot prices soar 83% YoY in May, and a basket of agriculture spot prices ramp up 35% YoY in the month.
- Meanwhile, concerns over the supply of Russia's gas and oil has seen recent energy spot prices surge 90% and crude oil up 66% in May.
- The impact on global commodity prices puts pressure on essential costs such as heating, transport and staple foods. The squeeze on discretionary income matters because two thirds of the UK economy is reliant on consumer spending.

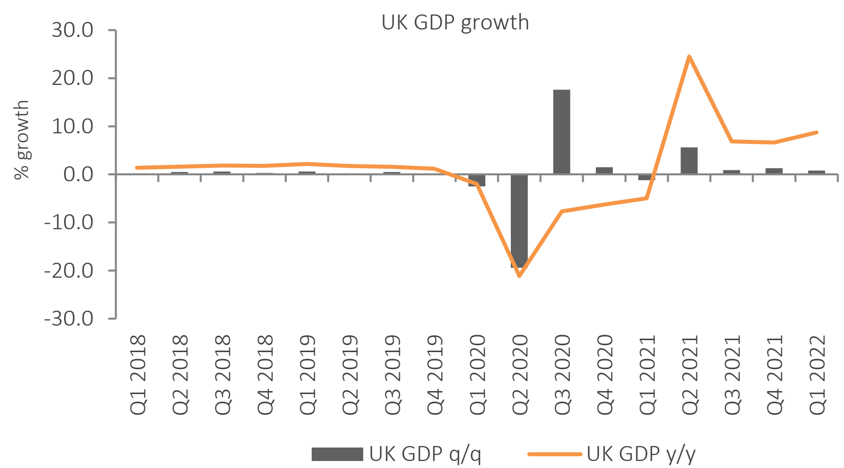
Factory gate prices hit highest level since July 2008



Source: ONS

- Such costs are, of course, also impacting suppliers and retailers. Input inflation remained at record highs at 18.6% YoY in April. Resultantly, factory gate inflation (output prices) hit its highest level since July 2008 in April (+14.0% YoY from 11.9% in March).
- Preliminary GDP figures from the Office for National Statistics show the UK economy grew by 0.8% QoQ in Q1 2022, but this was driven by strong growth in January following the easing of Omicron restrictions.
- The economy shrank by 0.1% in March following a flat performance in February, under pressure from supply chain disruption, which hit retail, as well as production and car sales.
- In May, the Bank of England said that consumer inflation of more than 10% can be expected in the fourth quarter, driven by supply chain disruption and energy prices, with the economy expected to contract later this year.

Retail supply chain issues dented GDP performance in February and March



Source: ONS

Factory gate prices

+14.0%

Factory gate inflation hit its highest rate since 2008 in April (ONS)

UK economy

-0.1%

GDP shrank by 0.1% in March amid supply chain disruption (ONS)

Russia's fierce and ongoing invasion of Ukraine has thrown uncertainty over the ability for supply chains to recover from the pandemic this year.

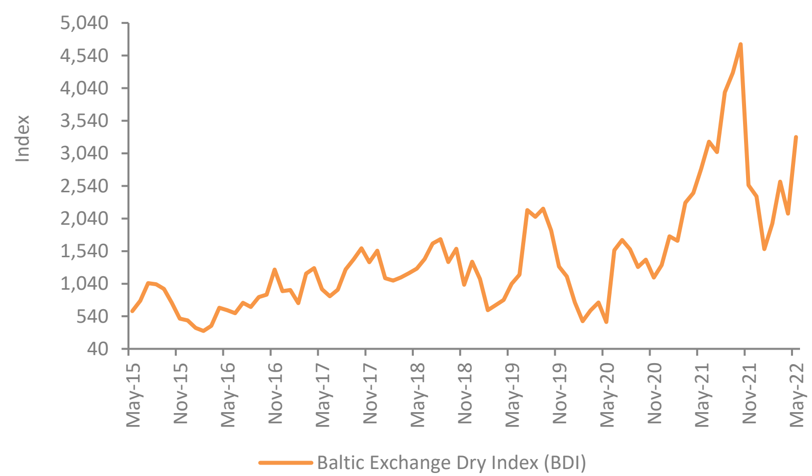
Flight to value & operating costs

- As prices rise and budgets come under pressure, consumers will adopt recessionary behaviours and shop around more.
- This will put retail's profitability under pressure at a time when operating costs are on the rise.
- Delays and uncertainty over costs across manufacturing and haulage mean retailers have been less able to react quickly to changes in market conditions, effectively reducing the elasticity of supply. Retailers have prioritised supply chain flexibility this year, in an attempt to meet consumer demand as Covid restrictions lift.
- But labour shortages, backlogs and port closures has seen shipping costs rocket by 17.4% YoY in May (Baltic Dry Index, a proxy for sea freight costs).
- Retailers are having to pass on costs to consumers. Previously price competitive categories (e.g. Clothing & Footwear) saw prices rise by 8.3% YoY in April, following a record 9.8% rise in the previous month.
- Such pace is undermining some business models more than others, including fast fashion retailers centred on low prices, thin margins and rapid lead times.
- In fast fashion (with higher than average returns rates), some retailers have looked to bolster operating margins by penalising costly shopping behaviour. Fashion retail giant Zara has introduced a £1.95 charge for online customers returns, with the fee deducted from their refund.
- Others have had to look for external investment. Alteri Investors recently acquired a 50% stake in Missguided after it was scrabbling for emergency funds as its business model came under pressure.
- Consumers are shifting their values as prices for essential goods rise. A flight to value is seeing shoppers turn to discount retailers Aldi and Lidl. The share of grocery spend going to Aldi and Lidl has grown by 1.8 percentage points between January and May, while the 'Big Four' have seen the share of spend decline by 1.2pp (HyperJar).
- Larger grocers are attempting to avoid a repeat of the financial crisis, which saw the German discounters permanently capture higher market share. In April, Morrisons and Asda announced they were cutting prices on hundreds of products. It follows Sainsbury's and Tesco's price-pegging efforts against Aldi.
- Retailers would be prudent to scrutinise operating costs in order to maintain competitive prices as inflation soars.

Consumers facing record levels of inflation in previously price competitive categories such as Clothing as retailers pass on costs

Source: ONS

Global shipping costs up 17.4% YoY in May



Source: Baltic Dry Exchange

Price pressure

8.3%

Clothing & Footwear inflation is at record highs (ONS)

Shipping Costs

+17.4%

Shipping costs are on the rise again, up by 17.4% YoY in May (Baltic Dry index)

Some retailers have looked to bolster operating margins by penalising costly shopping behaviour. Fashion retail giant Zara has introduced a £1.95 charge for online customers returns, with the fee deducted from their refund.

Retail property

- Property dynamics continue to adjust as consumers learn to live with Covid. This has seen an end to work-from-home guidance, face coverings in public places and Covid passports in recent months – with all remaining Covid restrictions lifted in late February.
- This brought the largest single monthly uplift in footfall since June 2021, with footfall rising by 9.1% in February compared to January (Springboard). Fewer restrictions saw some release of pent-up demand for leisure activities, with spending on travel having its strongest month since the pandemic (-13.9% Yo2Y), according to Barclaycard data.
- But with footfall ultimately down on pre-pandemic levels and the overall step up in online sales, it has left many retailers that operate expansive store estates at risk of grappling with cost structures disproportionately weighted towards physical channels.
- This is leading to store rationalisation amongst those that have more outlets than are commercially viable.

Rent expectations improving but remain in decline

Source: RICS

- Stores are transitioning away from being purely transactional as digital becomes embedded across the customer journey and home shopping provides greater levels of convenience.
- Technology is being deployed in stores to support online sales. This encourages increased visits, including using stores as fulfilment hubs for click and collect and returns. In addition, enhanced digital integration (e.g. use of AI, augmented reality and virtual reality) can bring products to life – which is seeing the role of physical stores increasingly align with marketing objectives. This merging of physical and digital channels will become critical to providing seamless shopping experiences.
- The economics of stores are adjusting to this new reality, including a softening of rental costs. On average, rental costs fell by 0.9% in Q4 2021 compared with the previous year according to Retail Economics' Cost Base Index.
- However, this marks an improvement from double-digit declines during the pandemic. A net balance of just 1% of property agents expect rents to continue to decline in primary locations over the next year, compared to a balance of 24% expecting declines in secondary locations.
- But concerningly, rent collection rates remain around 12% below pre-pandemic levels according to data from Remit.
- On a quarterly basis, rentals across Retail Warehouses performed strongly, supported by online growth, and outperforming both Shopping Centres and High Street Shops (Retail Economics).
- To shore up property values and leverage excess retail space, landlords with expansive sites are having to consider opportunities to convert retail sites into mixed-use units, including elements of leisure, office space and residential.
- This has led to giants including Tesco offering flexible office space with rental company IWG, as part of a trial at a south London grocery store in a bid to repurpose excess store space.

Vacancy Rate

14.1%

UK retail vacancy rates were 14.1% in Q1 2022, down from 14.4% in Q4 2021 (LDC)

Retail rents

24%

A net balance of 24% of agents expect a rent decline in secondary locations, compared to just 1% in primary sites

The role of physical stores are increasingly align with marketing objectives and support for online sales. The economics of stores are adjusting to this new reality, including a softening of rental values on recent years.

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UK Online Retail

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UK Retail Inflation

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UK Consumer*

Quarterly: analyses a range of UK consumer spending indicators including housing market data, consumer confidence, consumer credit, household inflation, labour market statistics, wage growth, retail sales and more. More info >

UK Retail Economic Briefing

Monthly: analyses a range of macroeconomic indicators including GDP, consumer spending, inflation, labour market, commodity prices, exchange rates, monetary indicators, credit and lending market data, house prices, mortgage data, retail sales and more. More info >

UK Retail Industry Outlook*

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Monthly: provides a succinct one-page summary ideal for senior management and meeting notes; concise need-to-know retail data for the month which includes a mix of the major economic indicators and retail metrics. More info >

Retail Sector Reports

Food & Grocery

Food & Grocery retail sales index
Bespoke sector specific economic analysis
Food online sales and penetration rates
Market share data
Food inflation analysis and more. More info >

Clothing & Footwear

Clothing & Footwear retail sales index
Bespoke sector specific economic analysis
Clothing online sales and penetration rates
Consumer trends for online shopping
Spend on clothing by region and more. More info >

Homewares

Homewares retail sales index
Bespoke sector specific economic analysis
Homewares region spending data
Analysis of key economic drivers such as house moves, personal finances etc.
Weather data and more. More info >

Furniture & Flooring

Furniture & Flooring retail sales index
Bespoke sector specific economic analysis
Consumer trends for online shopping
Analysis of key economic drivers such as consumer confidence, credit and lending
Regional footfall statistics and more. More info >

DIY & Gardening

DIY & Gardening retail sales index
Bespoke sector specific economic analysis
DIY & Gardening region spending data
Analysis of key economic drivers such as weather data, 'improve not move' trends
Executive summary and more. More info >

Electricals

Electricals retail sales index
Bespoke sector specific economic analysis
Consumer trends for online shopping
Analysis of key economic drivers such as disposable income growth, product launches etc.
Electricals inflation and more. More info >

Health & Beauty

Health & Beauty retail sales index
Bespoke sector specific economic analysis
Health & Beauty shopper trends such as 'lipstick effect', own-brand cosmetics etc.
Impact of digital and social media
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COVID-19 Service

Get impact assessment reports for the UK retail and leisure industry to help identify threats
"COVID-19 Quick Responses", consumer panel research
COVID-19 newsletters, economic chartbooks and more... info >

Shopper Sentiment Survey

Keep a finger on the pulse of what's driving UK consumer shopping behaviour. Identify the range of macroeconomic factors that influences household spending. Really understand your consumer base and the cost pressures they face
Identify opportunities within your sector.

Quick Response Service

Get the latest need-to-know retail news straight to your inbox. Choose: 1) Economic updates — GDP, consumer spending, retail sales, wages, house prices, credit and more; or 2) Retailer results — key financial results and critical retailer news reported for around 50 listed retailers.

Face-to-face presentation

Hear our thought-provoking views and opinions at your conferences, seminars, company away-days or board meetings
Get the personal touch from senior staff members — Richard Lim (CEO) & Stephen Robertson (Chairman) being in popular demand.

Retail Cost Base Index

Essential for improving your financial planning strategy
Gain a deeper understanding of your operating costs in order to manage risk. Learn how macroeconomic factors might affect your supply chain. Producer Price Index (inputs and outputs) data. Understand the impact of labour costs, business rates etc.

Tailored Reporting

Get the precise data your looking for and accurately answer key retail questions. It cuts through the noise and enables us to deliver bespoke reporting tools which are relied on by executive teams to identify the need-to-know economic indicators and to interpret what they mean for your business.

Additional users

Need more user accounts? No problem, this bolt-on allows you to add additional users so you can share insights directly within your team.

*Quarterly

Reports

Core Reports

Economic Retail Reports

UK Retail Sales Report →

UK Online Retail Report →

UK Retail Inflation Report →

UK Consumer Report →

UK Retail Economic Briefing →

UK Retail Industry Outlook →

Executive Report →

Retail category reports

Food & Grocery →

Clothing & Footwear →

Homewares →

Furniture & Flooring →

DIY & Gardening →

Electricals →

Health & Beauty →

UK Retail Sector Forecasts →

Express reports

Sector Snapshot Report →
Monthly overview of all key retail categories with macroeconomic insights in a summary format

Chartbook →
Key economic charts published every month for the UK & other international markets

Other reports

Cost of Living Tracker →
Tracks impact of inflation, earnings growth & discretionary spending on household income groups (monthly)

Retail Roundup Report →
Retail industry news & trading updates in a nutshell to keep you abreast of industry developments (monthly)

Thought Leadership Reports →
Deeply understand industry & consumer trends and the impact of current disruption on your business

UK Omnichannel Report →
Understand consumer shopping channel behaviour - online vs. in-store with many different data splits

Top 10 European Retail Markets →
Analysis by 5 key metrics: Market size, in-store spend, online spend, online penetration, spend per capita

Services

Membership →
Your complete retail intelligence service: tailored to give you powerful insights

Thought Leadership Research →
Publish co-branded thought leadership white papers. Be seen as an authority in your field. Get in the media, boost your brand awareness and profile

CEO Presentations →
Get the personal touch and interact face-to-face with the Retail Economics CEO (LinkedIn Top Voice, Rethink Retail Top Retail Influencer 2023).

Media, PR & Comms →
Maximise impact and media traction for your projects and campaigns. Tap into our extensive media and industry networks

Data & Benchmarking →
We provide bespoke proprietary data and benchmarking services allowing you to accurately measure and monitor performances

Economic modelling →
Better understand how your key industry variables affect your organisation: demography, socio-economic profiles, regional, sector, policy, industry and skills etc.

Advisory & Business planning →
Accelerate and grow your business with intelligent planning, forecasting and risk management using our business advisory service

About

Retail Economics is an independent economics consultancy focusing on the retail and consumer industry. Our membership service empowers you with a deeper understanding of the key economic drivers within the UK retail industry, giving you a competitive edge needed to make critical business and investment decisions.

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Access the latest data with a membership →