OCTOBER 2024 TOWN & CITY CENTRE BEAUCLAIR INSIGHTS:

LOWER CONSUMER CONFIDENCE PRE AND POST BUDGET WEAKENS SPENDING IN OCTOBER BUT THE TREND FOR EXPERIENCE/LIFESTYLE SPENDING CONTINUES. According to **Diane Wehrle, of Rendle Intelligence and Insights & Beauclair's Brand Ambassador.**

Sales in UK towns and cities declined annually in October by -1.8%. This is an improvement on September, when sales declined annually by -6.5%, however, it is a further contraction from October 2023 when sales were -5% lower than in October 2022. The topline results suggests that consumers' nervousness both pre and post Budget was reflected in a reluctance to spend during October, with a drop in all three metrics of customer numbers, transactions and average spend.

However, results for individual sectors in October reveal some positives; in three of the five sectors that account for 85% of spending there was an uplift from October 2023 (+0.9% in Food & Drink, +1.6% in General Retail and +2.1% in Health & Beauty). The two sectors dragging the result into negative territory from October 2023 were Fashion (-2.6%) and Grocery (-4.1%).

The results are continuing evidence of the increasing importance for consumers of investing cash in experience/lifestyle purchases; demonstrated by the fact that Food & Drink now accounts for a greater proportion of sales in towns and cities than Fashion (25% for the year to date vs 23% in Fashion), with Health & Beauty – which includes beauty products, gyms, beauty salons and spas - accounting for a further 10%. This shows that over a third of sales in UK towns and cities is experience/lifestyle spend rather than purchases of "stuff".

The results also revealed that increases in spending in October were largely derived from fewer customers spending more per transaction – this is further evidence of the "experience/lifestyle over stuff" trend, as higher value transactions are often linked to longer dwell times which are synonymous with experience. In both Food & Drink and Health & Beauty the increase in overall spend was driven by a rise in average spend (+3.7% and +3.9%), whilst in both sectors the number of customers and transactions made were lower than last year. In General Retail the result was broadly similar, albeit that the number of transactions rose marginally from October 2023 (+0.5%).

Whilst the annual change in spending in towns and cities in October was lower than hoped for, spending still rose by +7% from September which is the largest monthly uplift since May when spending rose by +9% from April 2024. Spending rose over the month in all the five key sectors, and in three sectors there was double digit growth from September (+11% in Food & Drink, +13.8% in General Retail and +14.1% in Health & Beauty).

Inevitably, thoughts are turning to what this means for November and then the 2024 Christmas trading period. Ahead of Q4, I forecast that spending would increase from last year in November and December. However, the downward shift in consumer sentiment that became evident in October has already brought inexorable caution around spending, and we may well see spending in November and December on par with 2023 rather than increasing. Looking forward initially to November, working in the favour of towns and cities is that Black Friday this year falls on 29th November, which is payday for many, providing shoppers with available budget to make the most of discounts to secure Christmas gifts.

GB Benchmark – October 2024

sector	Sales vs Oct 2023	Customers vs Oct 2023	ATV vs Oct 2023	ATV
All Sectors	-1.8%	-2.4%	-0.4%	£18.28
Fashion	-2.6%	-1.7%	-2.8%	£32.87
Food & Drink	+0.9%	-1.2%	+3.7%	£13.15
General Retail	+1.6%	-1.7%	+1.1%	£16.67
Grocery	-4.1%	-1.4%	-1.7%	£13.93
Health & Beauty	+2.7%	-1.3%	+3.9%	£26.56

GB Benchmark – YTD October 2024

sector	YTD Sales vs Oct 2023	YTD Customers vs Oct 2023	YTD ATV vs Oct 2023	ATV
All Sectors	-4.1%	-2.4%	-1.1%	£18.20
Fashion	-6.0%	-4.8%	-2.1%	£32.24
Food & Drink	-1.7%	-3.1%	+2.3%	£13.09
General Retail	-0.6%	-1.4%	-0.1%	£16.14
Grocery	-1.7%	-2.0%	-0.1%	£14.14
Health & Beauty	-0.4%	-3.7%	+2.4%	£25.56

Our GB Benchmark is based on the median retail performance of 62 nationwide Town & City Centres.