



BRC



FESTIVE FAQs
2016

THE BRC IS THE GO-TO
TRADE ASSOCIATION
FOR ALL UK RETAILERS,
DELIGHTING OUR
MEMBERS, PROMOTING
THE STORY OF RETAIL,
SHAPING DEBATES AND
INFLUENCING THE ISSUES
AND OPPORTUNITIES
THAT MATTER TO
THE INDUSTRY.

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SUMMARY OF KEY FACTS

 <p>APPROXIMATELY 10 MILLION TURKEYS ARE BOUGHT OVER THE CHRISTMAS PERIOD</p>	 <p>£42BN WAS SPENT IN DECEMBER 2015, INCLUDING £5.8 BN SPENT ONLINE</p>	 <p>£3.3BN WAS SPENT ACROSS THE BLACK FRIDAY & CYBER MONDAY WEEKEND IN 2015 AND IT IS EXPECTED TO BE HIGHER THIS YEAR</p>
 <p>RETAILERS ARE SET TO SPEND UP TO £5.6BN ON ADVERTISING IN THE RUN UP TO CHRISTMAS THIS YEAR, ACCORDING TO THE ADVERTISING ASSOCIATION /WARC</p>	 <p>8 MILLION NATURAL CHRISTMAS TREES ARE SOLD EACH YEAR</p>	 <p>THE UK'S HOUSEHOLDS CONSUME AROUND 25 MILLION CHRISTMAS PUDDINGS</p>

FAQS

HOW IMPORTANT IS CHRISTMAS TO THE RETAIL SECTOR?

December is the biggest month for shopping in the UK. In 2015 it accounted for over £42 billion and 12 per cent of the year's total sales. That's not all Christmas shopping, but it shows how critical the trading period is to many retailers, and why they invest so much time in attracting customers with advertising, diverse ranges and appealing promotions in-store and online.

	MONTH AS A % OF TOTAL RETAIL SALES IN 2015
JAN	7%
FEB	7%
MAR	9%
APR	7%
MAY	8%
JUN	9%
JUL	8%
AUG	7%
SEP	9%
OCT	8%
NOV	9%
DEC	12%

WHAT ARE OUR CURRENT PROJECTIONS FOR CHRISTMAS SPENDING?

Sales growth has been pretty sluggish this year as competition has kept prices falling, whilst growth in consumer's incomes has not compensated. However, in more recently sales growth has picked up, with November posting healthy sales growth of 1.3 per cent after the year's second highest growth of 2.4 per cent in October. We expect that upturn to carry through into Christmas with total sales posting growth over last year. However, we can't be sure until we compile the December figures early next year.

WHAT ARE CONDITIONS LIKE FOR CUSTOMERS AT THE MOMENT?

Now is a good time to be a shopper in the UK. Competition in the industry has meant that prices have been falling for more than 3 years and that retailers are constantly innovating to provide great service to their customers. A rise in prices is expected next year as a result of the devaluation, but as yet we are not seeing increasing costs of imports feed through onto the shop floor.

The uncertainty surrounding the economic outlook has dented Consumer Confidence in the latter half of this year; the latest figures show that the GfK Consumer Confidence fell by 5 points to -8 (Nov). This compares with +1 in the same month last year. However, subcategories within this index suggest that consumers are still positive about making major purchases, although less so than at this time last year.



WHAT WILL SELL WELL THIS CHRISTMAS?

Specific retailers and trade associations like the Toy Retailers Association are best placed to help with this, and banks also do regular surveys asking customers what they'll be unwrapping this Christmas.

Our latest figures this year show strong demand for jewellery and watches, furniture, toys and baby equipment, and household textiles.

HOW WILL THE FOOD SECTOR DO?

Last year, grocery sales in the week to Boxing Day rose by 8 per cent compared with a year earlier (Source: Nielsen).

Supermarket sales during Christmas week were 43per cent higher than in an average week and retailers will be hoping for a similar performance this year. With an extra day to finalise food shops this year, we may see an even bigger rise in sales. Competition is likely to be fierce once again, with discounters proving a popular choice last year.

That said, some of the Big Four have upped their game in 2016 and we could see strong performance across the board.

HOW MUCH WILL PEOPLE BE SPENDING?

Research from VoucherCodes.co.uk parent RetailMeNot and the Centre for Retail Research found that in terms of UK Christmas spending, the average home will splash out £809.97 on average. This will go towards food and drink, travel, decorations and gifts, with the latter accounting for 58.5 per cent of the budget.

Smartphones and tablets will account for 42.3 per cent of UK Christmas spending where online is concerned, far greater than other European companies.

WHAT WILL BE THE BUSIEST SHOPPING DAYS IN THE LEAD-UP TO CHRISTMAS?

The way people shop at Christmas has changed in recent years. The introduction of Black Friday to the Christmas trading period has meant that Christmas shopping now begins in November and there are two peaks in trading activity. One is in the lead up to the Black Friday/Cyber Monday weekend and then the Christmas peak, before tailing off dramatically at the start of the sales period, especially for food. Non-food has a steadier sales build-up, while food sales tend to peak significantly in the week before Christmas.

With Christmas falling on a Sunday this year (compared against Friday in 2015), we would expect many consumers to be food shopping up until the Friday in the Christmas week, with their gift shopping been finalised earlier that week, if necessary.

WHAT HAS FOOTFALL BEEN LIKE?

Our November Footfall Monitor showed that footfall was down by 1.0 per cent, an acceleration of the previous month's decline. Until recently, the trend in footfall has generally been positive in retail parks, and falling on the high street and shopping centres.

However, in November there was a decline in footfall across all three locations. In 2016 in general we have seen footfall growth slow in retail parks, and turn negative in recent months, while footfall on high streets has been positive in two of the last six months.

As ever, there were widespread variations across the UK, with the Northern Ireland and Scotland the only nations to report footfall growth in November, up 3.5% and 0.6% respectively, while the East Midlands reported the greatest decline (-2.7 per cent).

In the same way that sales build up as Christmas gets closer, footfall is expected to follow a similar pattern in the final few weeks. With Christmas on a Sunday this year, consumers are likely to try and finish their shopping the weekend before Christmas with the week of Christmas being left for the last-minute gifts.

WHAT IMPACT WILL THERE BE IF IT SNOWS?

Snow can obviously have an impact on footfall, especially out-of-town retail parks as many customers will be deterred from taking longer car journeys. But retailers always prepare well ahead for seasonal weather, in terms of their stock levels, promotions and logistics, and any negative impact tends to be short-lived.

HOW IMPORTANT WILL ONLINE BE THIS CHRISTMAS?

Our October Online Retail Sales Monitor showed online growth of 11.1 per cent, marginally ahead of the 12-month average of 10.8 per cent. We expect more people to click into Christmas than ever before this year, as online continues to be a steady contributor to non-food growth. In October 2016, Online sales represented 22.2 per cent of total Non-Food sales, against 21.1 per cent in October 2015, meaning 1 in 5 pounds was spent online.

£5.8bn was spent online in December 2015 (Source: ONS).

The most successful retailers have invested significantly in their multichannel offer, so that customers have flexible and convenient ways to shop whether at home, in-store or on the move.

The rapid rise of tablet and smartphone ownership means that m-commerce is once again going to feature heavily this Christmas.

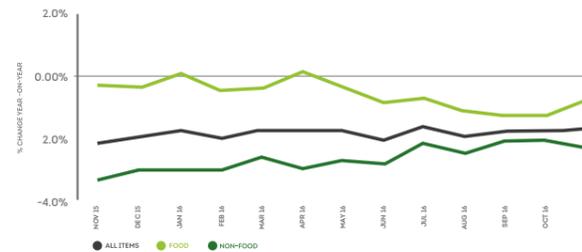
WHEN WILL BE THE BUSIEST DAY FOR ONLINE SHOPPING?

Black Friday is now the biggest online shopping day in the UK closely followed by Cyber Monday. Our data partners, Hitwise, forecast that £5 billion would be spent over the Black Friday/Cyber Monday weekend.

Many retailers started their online discounting in the week of Black Friday.

HAS THE COST OF CHRISTMAS GONE UP COMPARED TO LAST YEAR?

Our November Shop Price Index showed that total inflation was at -1.7 per cent, marking the 43rd consecutive month of deflation. Food reported deflation of 0.8 per cent, while non-food experienced the 43rd consecutive month of deflation at 2.3 per cent.



As the crucial Christmas trading period approaches, retailers are likely to step up the level of promotional activity to protect and grow market share, which could see the current level of deflation maintained or even push prices down even further.

WHEN WILL THE CHRISTMAS SALES START?

With the popularity of Black Friday growing in recent years, many retailers begin their sales in the preceding week to Black Friday and continue them until Cyber Monday.

Christmas Day itself is now a key shopping day thanks to e-commerce, social media and rocketing smartphone and tablet ownership, and many retailers will be responding to that demand with early offers and a head start on the sales period as early as Christmas Eve for some.

IS BOXING DAY A BIGGER SHOPPING DAY THAN PRE-CHRISTMAS?

No. Post-Christmas is substantially less busy than pre-Christmas trading.

WILL THERE BE MANY ADMINISTRATIONS IN THE NEW YEAR?

We don't make projections in this area, but there will always be some retailers for whom the sums don't add up, especially after the crucial Christmas trading period. With cost pressures building in the supply chain, as well as pressure from the NLW and business rates, all impacting on retailer's bottom lines, the 2017 retail environment is likely to be challenging.

EMPLOYMENT

WHAT SORT OF OPPORTUNITIES ARE IN STORE OVER CHRISTMAS?

For many, the first festive taste of a job in retail can lead to a lasting and fulfilling career.

Our latest Retail Employment Monitor (Q3 2016) showed that 20 per cent of retailers in our sample intend to increase staffing levels in the next three months compared with 56 per cent this time last year.

The equivalent number of full-time jobs fell by 3.0 per cent in the third quarter of 2016 while store numbers fell 1.2 per cent.

On the following pages are just a few member case studies showing how a Christmas job in retail can be the start of a long lasting career.

CASE STUDY // TRACEY HOWARD - ALDI

Tracey Howard joined Aldi in November 2015 as a Store Assistant, shortly after the opening of her local store in Clitheroe.

Tracey, 36, had recently moved to the area after working in the hospitality industry. Tracey still wanted to work with customers, and was attracted by the fast-paced nature of a retail role with Aldi.

Tracey commented: "I knew that Aldi offered good pay and benefits, but I was also fortunate to join a brand new team in Clitheroe just ahead of Christmas, and help drive the success of the store."

Aldi's Clitheroe team has now grown to 23 people and Tracey was promoted to a Deputy Store Manager role in October 2016 after impressing her store management team.

Tracey has the responsibility of managing a team of people during her shifts, and commented that prospective Deputy Store Managers at Aldi require a range of skills: "This is my first step into retail management, and there is a huge amount to learn. However, Aldi provides an in-depth, six week training programme when you become a Deputy Store Manager, which is very comprehensive and I get to train in the Clitheroe store."

"...ALDI PROVIDES AN IN-DEPTH, SIX WEEK TRAINING PROGRAMME WHEN YOU BECOME A DEPUTY STORE MANAGER, WHICH IS VERY COMPREHENSIVE AND I GET TO TRAIN IN THE CLITHEROE STORE."

Tracey noted the responsibilities of a Deputy Store Manager depend on her shift patterns: "In the morning, my team will be focused on managing deliveries, so I need to ensure they're prepared and that products are well-presented on the shelves.

"When I'm overseeing shifts later in the day, I'll be responsible for replenishing stock and date checking products on the shop floor, as well as placing orders to ensure the store is ready for the next day."

Tracey suggested the key to delivering a successful retail team is great customer service: "Every day is different and we receive a huge variety of customer queries, so my experience of working with people and understanding their concerns is incredibly important."

Tracey also discussed several qualities that are needed to be successful at Aldi: "You need to be hard working, determined, and a team player. Aldi is a great company to work for, and both the Store Assistant and Deputy Store Manager positions are well structured, so you really understand your role within the business."

Finally, Tracey commented that she would like to continue to progress with Aldi: "I like the challenges we face on a daily basis, particularly in the lead-up to a very busy Christmas period. I've still got a lot to learn as a Deputy Store Manager, particularly in terms of managing the team, but I know I'm developing every day."

QUICK-FIRE QUESTIONS

WHAT KIND OF PAY AND BENEFITS CAN YOU ACHIEVE AS A DEPUTY STORE MANAGER AT ALDI?

Aldi Deputy Store Managers receive a basic pay of £9.40 per hour rising to £11.00, with an extra £4.00 per hour whilst managing the store.

WHAT ARE THE BEST THINGS ABOUT THE JOB?

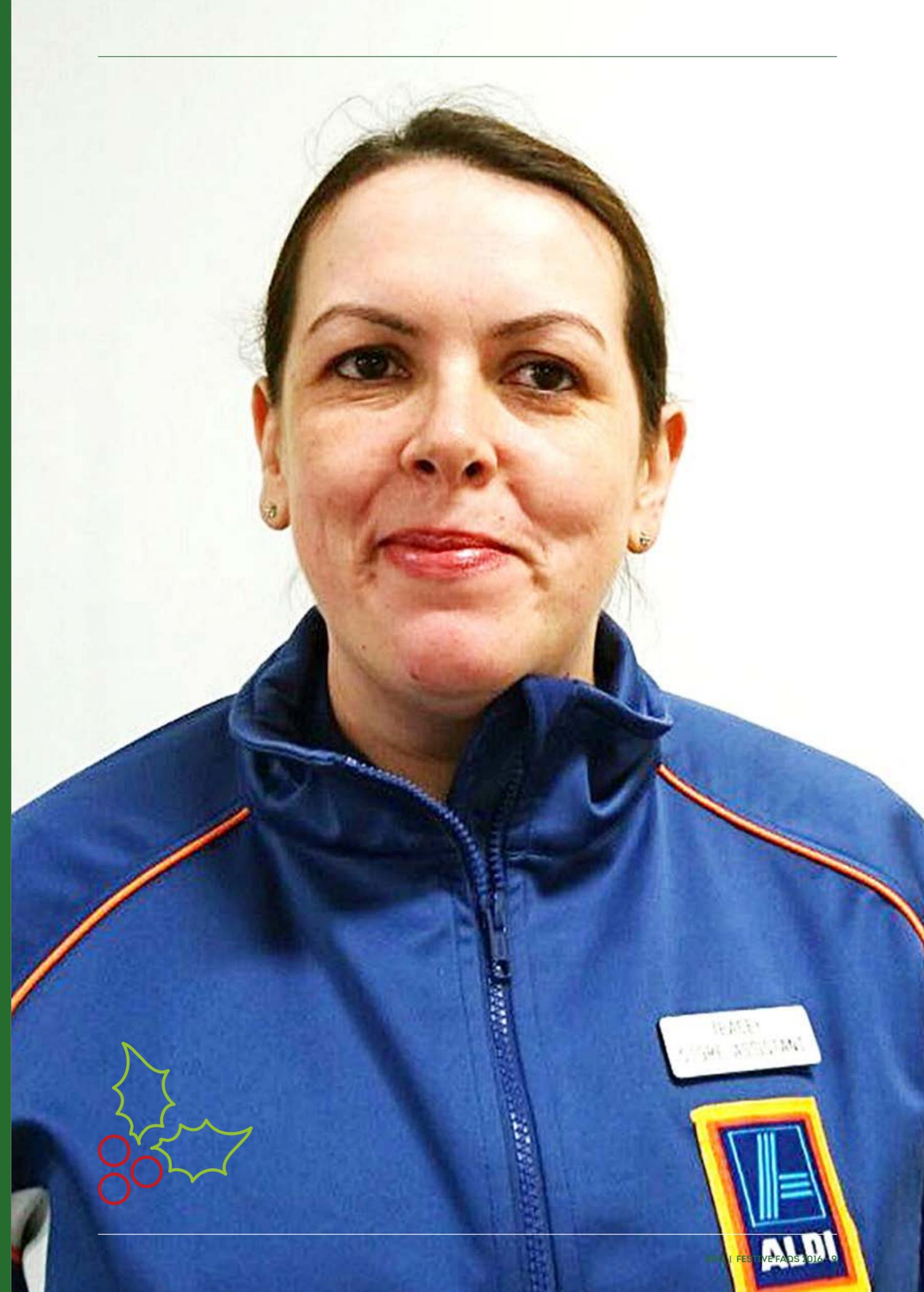
Working as part of a team, and seeing it grow every week.

AND WHAT ARE THE MOST CHALLENGING ASPECTS?

It is a fast paced role so you're always busy and need to be able to juggle different tasks to get the job done.

For more information please visit www.aldirecruitment.co.uk or contact:

NICHOLAS BEVAN
P: 01625 822 649
E: Nick.Bevan@mccann.com





CASE STUDY // JAMES LOUND - ICELAND

James had no idea that he was embarking on a new career when he took a temporary Christmas job with Iceland at Whittington Moor in Chesterfield in November 2006. But he found that he loved the fast pace and variety of the job from day one. So much so that he rapidly gained new responsibilities at the store, first becoming duty manager for grocery and then being promoted to a supervisor role within seven months of joining the business.

From Whittington Moor he relocated to the Iceland store at Crystal Peaks in Sheffield, where he became a senior supervisor, before moving to help turn around an underperforming store at Alfreton.

Based on his success there he was offered the opportunity to join a fast track store manager development programme. He has since spent 18 months as store manager at Iceland Matlock and 4½ years at the Eastwood store, before moving back to manage Alfreton shortly before the Christmas season in 2016.

James says: "I was 23 when I signed up for what I thought would be three or four weeks of part-time work. Ten years on and I'm still here! I'd worked in the pub trade since I was 16 and my partner and I felt we were due for a change - and in particular, to be honest, that we deserved a Christmas off. I found working for Iceland a real breath of fresh air and I thoroughly enjoyed the fast pace of the business and the range of the work, from stock replenishment to manning a checkout. So when the lady managing the grocery section left and a new store manager invited me to take her job, I jumped at the chance.

"I WAS 23 WHEN I SIGNED UP FOR WHAT I THOUGHT WOULD BE THREE OR FOUR WEEKS OF PART-TIME WORK. TEN YEARS ON AND I'M STILL HERE!"

"From there I applied for a job at Iceland Crystal Peaks in January 2008, where I became a senior supervisor in April - a bigger store where I gained great experience before the challenges of Alfreton and then joining the fast track programme to become a store manager myself. Iceland has supported me every step of the way with training and development opportunities, including taking part in the company's Leadership Improvement Programme this year.

"Looking forward, I just want to be the best I possibly can, within the challenging situation I am in of being registered visually impaired. That has never been an issue in managing a store, or with anyone in Iceland, but it does mean that I can't drive and so cannot consider a career move beyond an individual store into area management.

"THE BEST THINGS ABOUT WORKING IN RETAILING, AND ABOUT ICELAND IN PARTICULAR, IS THE FAST PACE AND THE PEOPLE."

"The best things about working in retailing, and about Iceland in particular, is the fast pace and the people. My days can change on the flip of a coin because our business moves so quickly. And I have had support from some wonderful people from the day I started - and am happy to say that I am still in touch with the first of them ten years on."

KEY DATES FOR YOUR DIARY

DECEMBER 2016

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
				1	2	3
4	5 BRC-Nielsen SPI (Nov) 00.01am	6 BRC-KPMG RSM (Nov) 00.01am BRC-KPMG ORSM (Nov) 00.01am	7	8 BRC-Experian Digital Retail Insight (Nov)	9	10
11	12 BRC-Springboard Footfall and Vacancies Monitor (Nov) 00.01am	13 ONS Consumer and Producer Prices (Nov) 9.30am	14 ONS Labour Market Statistics (Dec) 9.30am SRC-KPMG SRSM (Nov) 00.01am	15 ONS Retail Sales (Nov) 9:30am	16	17
18	19	20	21	22	23 BRC OFFICE CLOSED UNTIL 3 JANUARY	24 CHRISTMAS EVE
25 CHRISTMAS DAY 	26	27	28	29	30	31

JANUARY 2017

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
1	2	3 BRC OFFICE RE-OPENS	4 BRC-Nielsen SPI (Dec) 00.01am BoE Money and Credit (Nov) 09.30am	5	6	7
8	9	10 BRC-KPMG RSM (Dec) 00.01am BRC-KPMG ORSM (Dec) 00.01am	11	12 BRC-Experian Digital Retail Insight (Dec) 9.30am	13	14
15	16 BRC-Springboard Footfall and Vacancies Monitor (Dec) 00.01am	17 ONS Consumer and Producer Prices (Dec) 9.30am	18 SRC-KPMG SRSM (Dec) 00.01am	19 BRC Quarterly Trend Analysis (Q4 2016)	20 ONS Retail Sales (Dec)	21
22	23	24	25	26 BRC Retail Employment Monitor (Q4 2016) 00.01am	27	28
29	30	31 GfK Consumer Confidence (Dec) 00.01am BRC Economic Briefing Report (Jan 17)	01 BRC-Nielsen SPI (Dec) 00.01am BoE Money and Credit (Nov) 09.30am			

FURTHER INFORMATION

WHAT WE CAN GIVE YOU GOING FORWARD

Over the Christmas period you can get our most up-to-date statistics and commentary on our Twitter accounts. [@BRCDataSpace](#) offers dedicated retail statistics and [@the_brc](#) will offer general commentary.



BRC MEDIA ENQUIRIES:

020 7854 8924
media@brc.org.uk
Out of office hours 07557747269



YOU CAN FIND OUT EVEN MORE: DAY BY DAY SPENDING FIGURES OVER CHRISTMAS OR DURING THE SALES

The BRC office is closed from Christmas Eve through to 3rd January and we will not have concrete sales data until our December Retail Sales Monitor is out on 10th January. The Centre for Retail Research may be able to help with proportion of spend by category.

PROJECTIONS ON FOOD SPENDING, PRICES OR SEASONAL FOOD SUPPLIES

Try Nielsen or IGD.

INFORMATION ON HOW PEOPLE ARE PAYING FOR CHRISTMAS

For information on saving for Christmas, try MoneySupermarket and individual credit card companies who may be able to help. Speak to the Finance and Leasing Association about storecards or the UK Giftcards and Vouchers Association for giftcards and vouchers. The Bank of England has monthly data on lending to individuals split by type.

DETAILED COMMENTARY ON WHAT IS SELLING WELL

Our BRC-KPMG Retail Sales Monitor has some commentary on categories and individual retailers or specific retail trade associations will be able to help further.

REACTION TO INDIVIDUAL RETAILER PERFORMANCES

As a membership organisation we cannot comment on individual companies. Try retail analysts such as Verdict Retail or Mintel.

DETAILED COMMENTARY ON M-COMMERCE OR ADVERTISING

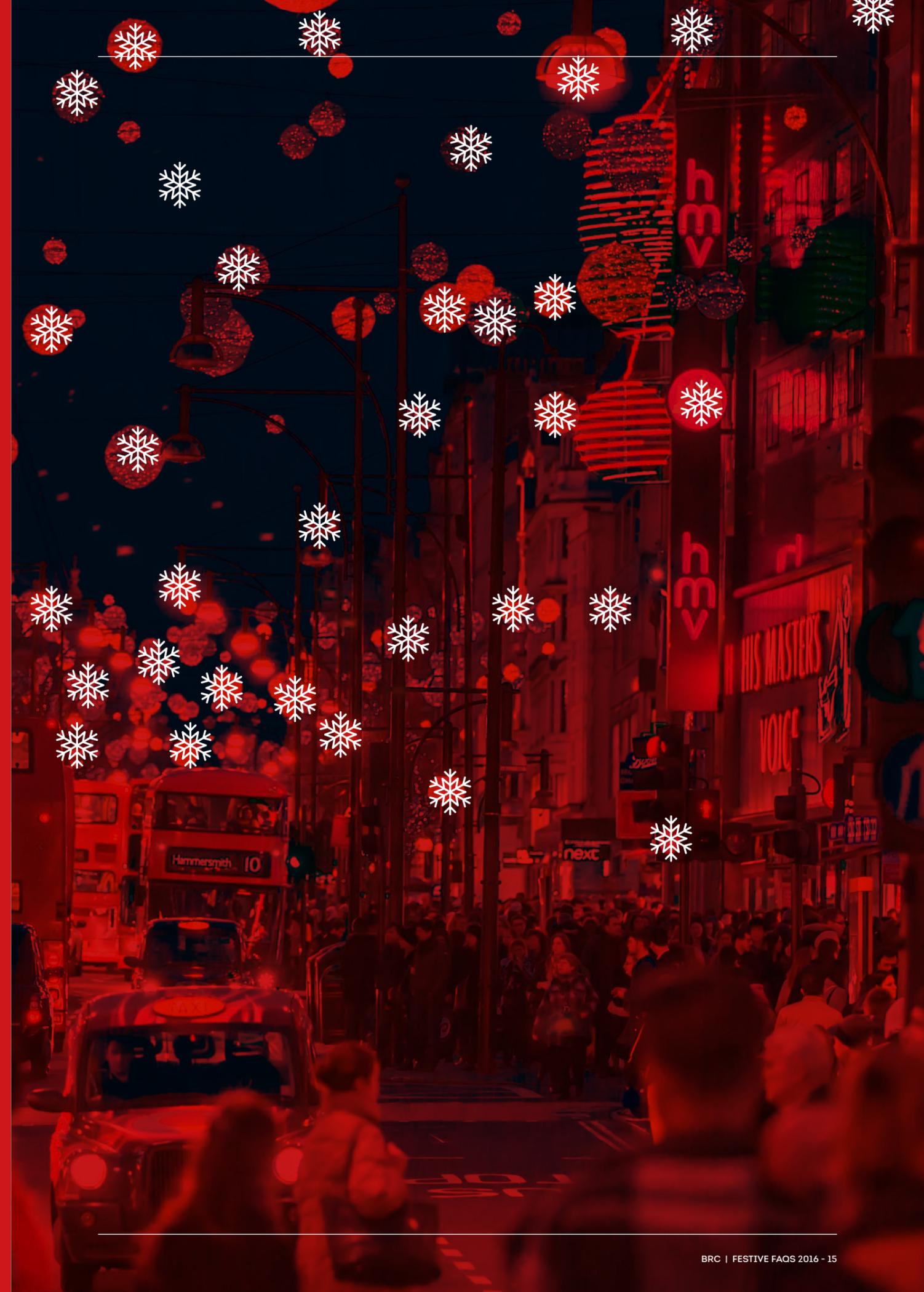
Ipsos Mori do a lot within this space and will be pleased to help. Hitwise also have information on online activity.

DETAILED COMMENTARY ON SALES IN PARTICULAR AREAS OF THE UK

We have Scottish sales data and regional monthly footfall data but do not break things down further. Try the New West End Company for insights on London's main shopping streets or retailers at local level for insights on Christmas shopping in particular towns.

INFORMATION ON CRIME AT CHRISTMAS SUCH AS SHOP THEFT

Our Annual Retail Crime Survey out in January will go into detail about the cost and prevalence of retail crime but for Christmas-specific commentary the Centre for Retail Research should be able to help.





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