



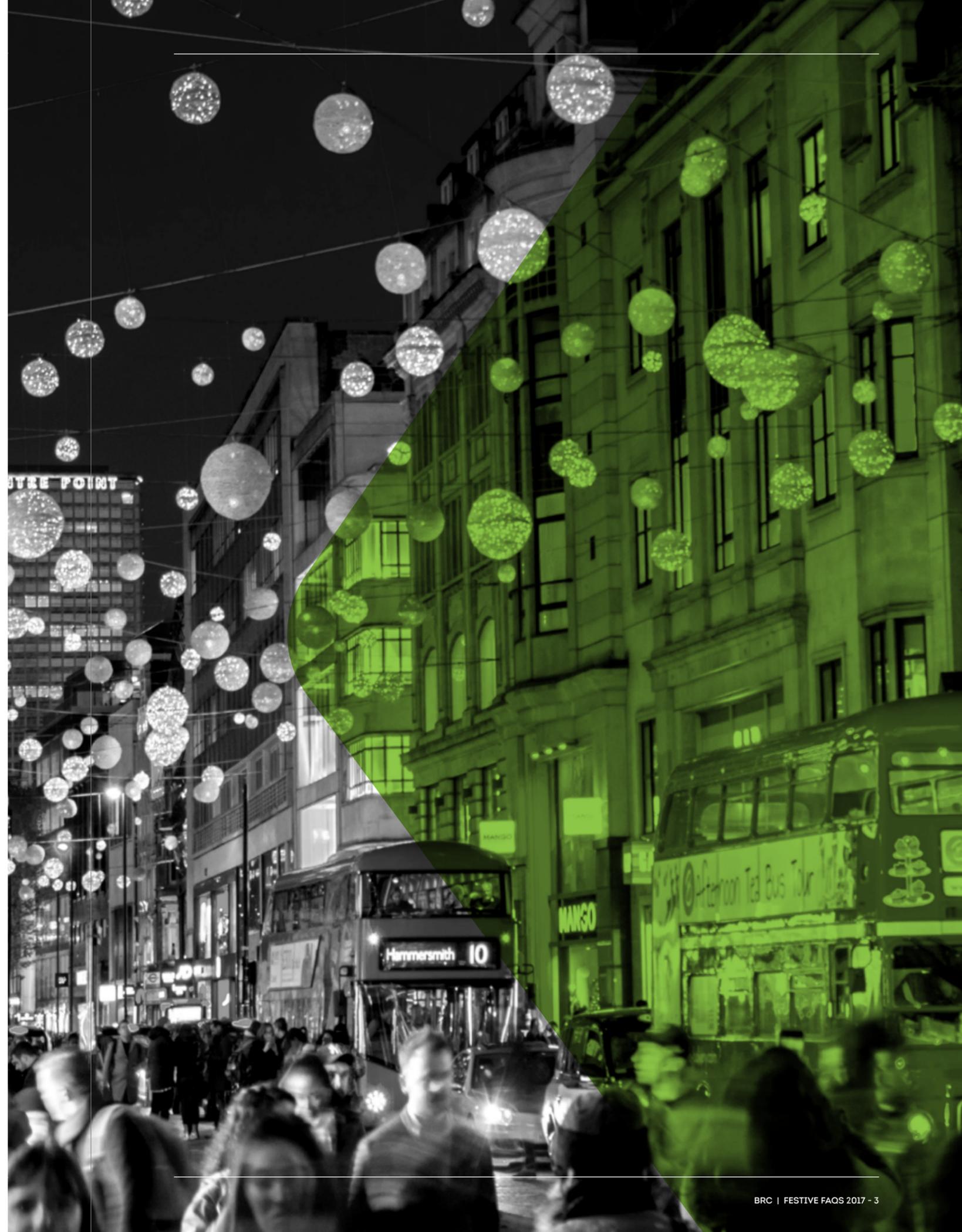
RETAIL AT CHRISTMAS

FESTIVE FAQs
2019/20



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SALES, CRIME AND SUSTAINABILITY

HOW IMPORTANT IS CHRISTMAS TO THE RETAIL SECTOR?

Thanks to all the festivities that occur during Christmas time, December is the biggest month of the year for most retailers in the UK. According to the ONS Retail Sales Index, November and December account for more than 1/5th of the year's sales.

RELATIVE MONTHLY SPENDING

2018	MONTH AS % OF TOTAL SALES
Jan	7.4%
Feb	6.8%
Mar	7.9%
Apr	7.7%
May	8.4%
Jun	8.0%
Jul	8.5%
Aug	8.3%
Sep	8.0%
Oct	8.6%
Nov	9.5%
Dec	10.9%

Source: [BRC calculations using ONS Retail Sales data](#)

Note: ONS data is calculated using a 4-4-5 weeks per month structure, data above is adjusted to reflect the number of days in each month

HOW MUCH WILL BE SPENT THIS YEAR?

FUN FESTIVE FACTS



10 MILLION: THE NUMBER OF TURKEYS COOKED IN THE UK EVERY YEAR



£22 MILLION: THE AMOUNT OF MONEY SPENT BY THE UK ON CHRISTMAS



822: THE NUMBER OF HOUSES FATHER CHRISTMAS WOULD NEED TO VISIT EVERY SECOND TO MAKE ALL OF HIS DELIVERIES



30,000: THE NUMBER OF PARTICIPANTS IN THE LARGEST EVER SECRET SANTA



120,000 TONNES: THE WEIGHT OF POTATOES THAT WILL BE EATEN OVER CHRISTMAS

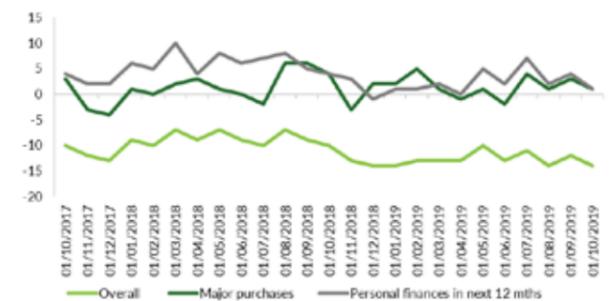
The Office for National Statistics saw over £80 billion spent in December and November last year. According to our [BRC-KPMG Retail Sales Monitor](#), sales growth year to date has averaged a relatively meagre 0.1%. However, we expect November and December sales to grow at a higher rate, which would mean total spending of approximately £82 billion this festive period.

According to the [Bank of England](#), a typical UK household spends approximately £2000 per month, but when Christmas rolls around this increases by an extra £500. Over the Christmas period, shoppers spend an estimated 16% more on food, 39% more on alcohol and 85% more on books.

The anaemic sales growth seen over the course of the year is expected to pick up slightly in the festive season. A contributing factor is the extension granted to Brexit from the end of October to the end of January, which is expected to aid a slight release of latent demand in the market. This demand has built up due to the persistence of real wage growth (nominal wages above the rate of inflation) throughout the year, which so far has been held back by consumers who have increased their levels of savings.

On the other hand, the spectre of Brexit does remain on the horizon, which coupled with the general election during the height of the festive period, may stifle spending due to the ramping up of political uncertainty and doubts this could raise regarding the economy in the short to medium term. This effect can also be seen through the GfK Consumer Confidence Index, with the overall figure remaining significantly below par throughout the entirety of 2019, with minor oscillations towards the end of the year. However, their index has seen a slight increase in both consumer outlook for the future and enthusiasm for making large purchases, which strengthens the case for the presence of latent demand.

CONSUMER CONFIDENCE



Source: [GfK Consumer Confidence Index](#)

WHERE WILL THIS SPENDING GO?

Food sales made up around 44% of spend in December 2018, with the remainder of spend being made on Non-Food items. We expect a similar pattern this year.

According to the [Bank of England](#), the area that sees the highest increase in spending over Christmas is Music & Film, with 116% more being spent over the period in 2018, in comparison to a typical month. Books are also a popular gift, with spending increasing by 85% in December. Even though the culinary aspect of Christmas celebrations is the highlight of the event for many, the relatively low increase of 16% in comparison to other months may seem surprising, but as it is from the largest base figure this is still a large difference in absolute terms.

INCREASE IN SPENDING ON PRODUCTS AT CHRISTMAS



Source: [Bank of England](#)

More Christmas gifts than ever will be bought online this year. Consumers are becoming more accustomed to online retail at the same time as improvements in delivery services and click and collect are enabling more online shopping well into the final week before Christmas.

In the run up to Christmas last year the proportion of Non-Food spend online expanded from 29% in October to more than 33% in November and more than 31% in December. October 2019 saw online capture nearly 32% of Non-Food sales, suggesting we could see Online penetration pass 35% this coming November.

WHAT IMPACT WILL BLACK FRIDAY HAVE?

Black Friday is a day of significant discounts both online and in-store. In recent years has grown to be one of the major discounting periods of the retail calendar. With increased sales over Black Friday week, this has had the effect of drawing full price sales away from the following weeks prior to the immediate run-up to Christmas.

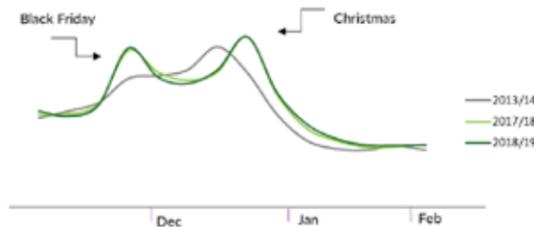
As the below graph shows, last year, Non-Food sales during Black Friday week were nearly 40% higher than in the preceding three weeks and more than 12% higher than any of the following three weeks. Six years ago, sales in “Black Friday” week were lower than the following weeks.

The event continues to change and has transformed into a week-long affair rather than a day of discounting. Also, when analysing last year’s retail website activity, the enthusiasm for Black Friday seems to have peaked. In the week prior to the main event, retail website visits were slightly down year-on-year (-3.3%). However, the decrease was less severe for the week of the main event, with visits only falling by 1.1%. So, this shows more of a plateau than a substantial fall, and more likely a consequence of consumers becoming more accustomed to the event than before.

One word of caution when looking ahead to the arrival of sales figures over the festive period: The timing of Black Friday in 2019 is later than in previous years, which will push most of the sales from the event into the December ONS reporting period as opposed to November. The effect of this shift will be to apply negative pressure to November’s Retail Sales Monitor and ONS

sales figures and conversely positive pressure on December’s. Therefore, the most accurate picture of the season will be painted by looking at both months together.

SPENDING PATTERNS OVER THE FESTIVE PERIOD

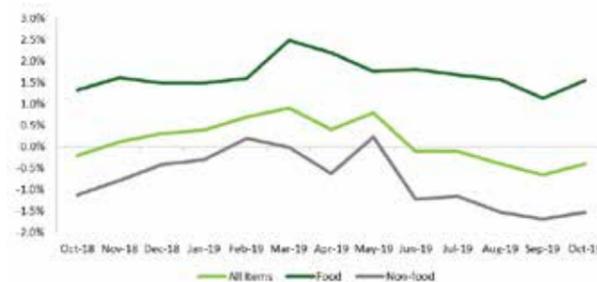


Source: BRC-KPMG Retail Sales Monitor

HOW FAR WILL THE £’S STRETCH?

As our BRC-Nielsen Shop Price Index shows, Food prices have seen consistent inflation over the past year and in the three months to October have increased by an average of 1.4%. While this rate of inflation is not abnormal when compared to historical figures; increasing food prices leave less available for spending on discretionary items. The beginning of the year saw the amount spent on Non-Food items grow, but as demand has been weaker and deflation has returned to many Non-Food categories, the second half of the year so far has seen spending decline (the three-month average to October is -0.3%). We expect Non-Food sales to buck their recent trend by posting a small increase over the festive period, thanks in part to the relatively weak comparables from 2018.

SHOP PRICE INFLATION



Source: BRC-Nielsen Shop Price Index

HOW BUSY WILL THE SHOPS BE?

Given that in store footfall has been on a downward trend in the UK (as more is spent online), the festive period is likely to see even fewer visits to the shops than last year.

However, with many shoppers not wanting to risk last minute home deliveries, shops are likely to be very busy in the last week before Christmas. Many consumers head to stores to buy last minute presents and Christmas dinner supplies, with others making the most of last-minute click-and-collect services.

The weekend before Christmas will be the busiest days for stores, although with Christmas Eve falling on a Tuesday, we are likely to see some of the activity which was concentrated on the weekend last year, spilling over into Monday 23rd and Tuesday 24th.

HOW CAN CONSUMERS ENSURE THEY STAY SAFE WHILE CHRISTMAS SHOPPING ONLINE?

UK retailers attach the utmost importance to the security of their online platforms and to protecting their customers’ personal data. The industry uses some of the world’s most cutting-edge tools and systems to do that. As an industry, we will continue to engage fully with all stakeholders, including the security services, to ensure that we are doing everything possible to protect the customers we serve.

WHAT ARE RETAILERS DOING TO PROTECT THEIR STAFF AGAINST VIOLENCE AT CHRISTMAS?

The retail industry invests £1 billion a year in combatting crime, with a major focus on violence. Despite that, nearly 115 colleagues are attacked every day, just for doing their job. For us this is a human issue, with the effects felt by our colleagues and their families and loved ones. The case is clear for the Government to take action to make sentences fit the crime and deliver an appropriate police response.

WHAT WILL BE POPULAR THIS CHRISTMAS?

Last December, the Non-Food categories: Clothing, Health & Beauty and Home Accessories enjoyed the highest year on year growth, according to our BRC-KPMG Retail Sales Monitor.

WILL SNOW DISRUPT PLAY?

Modern retail logistics has improved significantly in part due to the prevalence of online shopping. As consumers’ expectations have become more demanding in terms of next day deliveries, retailers have upped their game to account for even the most treacherous conditions. So, even if there is a white Christmas this year (Most bookmakers have the odds of a white Christmas in London at around 9/2 this year [8th November]), retailers’ contingency plans will minimise the disruptions to shoppers.

IS CHRISTMAS STARTING EARLIER, OR IS IT JUST ME?

Although it may feel to some that retailers start rolling out their Christmas products earlier and earlier every year, many aspects of Christmas in retail are fixed.

The unveiling of Department Store Christmas window dressings is a sign to many shoppers of the beginning of Christmas, which in London are timed to precede the lighting of the Christmas lights on their streets, usually in the first weeks of November.

Retailers’ Christmas advertising campaigns, particularly on TV, begin on (or around) the 1st November with some retailers building up to their release with some ‘blipverts’ (5 second adverts) that tease their arrival a week or so in advance. However, some retailers still do not release them that early so not to diminish the impact of other events, such as Armistice Day, which this year commemorated its centennial.

RETAIL CHRISTMAS CASE STUDIES

HOW BIG WILL SALES OVER BOXING DAY BE?

The BRC does not hold data on Boxing Day sales specifically. However, what we saw last year was that lots of shoppers opted to stay online rather than go into the shops on Boxing Day, so we wouldn't be surprised if that trend continues. Boxing Day tends to be a busy time for specific non-food products like furniture, where the post-Christmas sales tend to be more significant than the pre-Christmas sales.

Our BRC-KPMG Retail Sales Monitor will be released on 9th January 2020 and will look at how trading over the festive period in 2019 has fared. It will include year-on-year spending patterns by category.

WHEN WILL THE JANUARY SALES START?

Traditionally, the January sales begin on December 26th, with Department Store and Shopping Centre visits forming a key part of many households' Christmas festivities on this day. However, following the development of online retailing many retailers are taking advantage of online browsing on Christmas Day itself by rolling out some discount offers sooner.

HOW IS RETAIL EMPLOYMENT AFFECTED BY THE CHRISTMAS RUSH?

As Christmas is the busiest time of the year for retailers, they will increase front-line employee numbers to manage this extra demand and provide the services necessary to make this time of year as enjoyable as possible for the UK. However, there has been a downward trend in employment in retail, owing to structural change in the industry. As a result, total numbers working over Christmas are likely to be lower this year.

IS BREXIT AFFECTING CHRISTMAS THIS YEAR?

There is currently a great deal of uncertainty about issues like trade tariffs, customs arrangements, employment numbers and relationships with suppliers. Brexit may affect consumer confidence this year but there should be very little impact on supply changes and the general consumer experience over Christmas.

WILL RETAILERS BE STOCKPILING GOODS AND PRODUCTS OVER CHRISTMAS?

No. There is limited additional capacity to house stockpiled goods and in the case of fresh produce, it is simply not possible to do so.

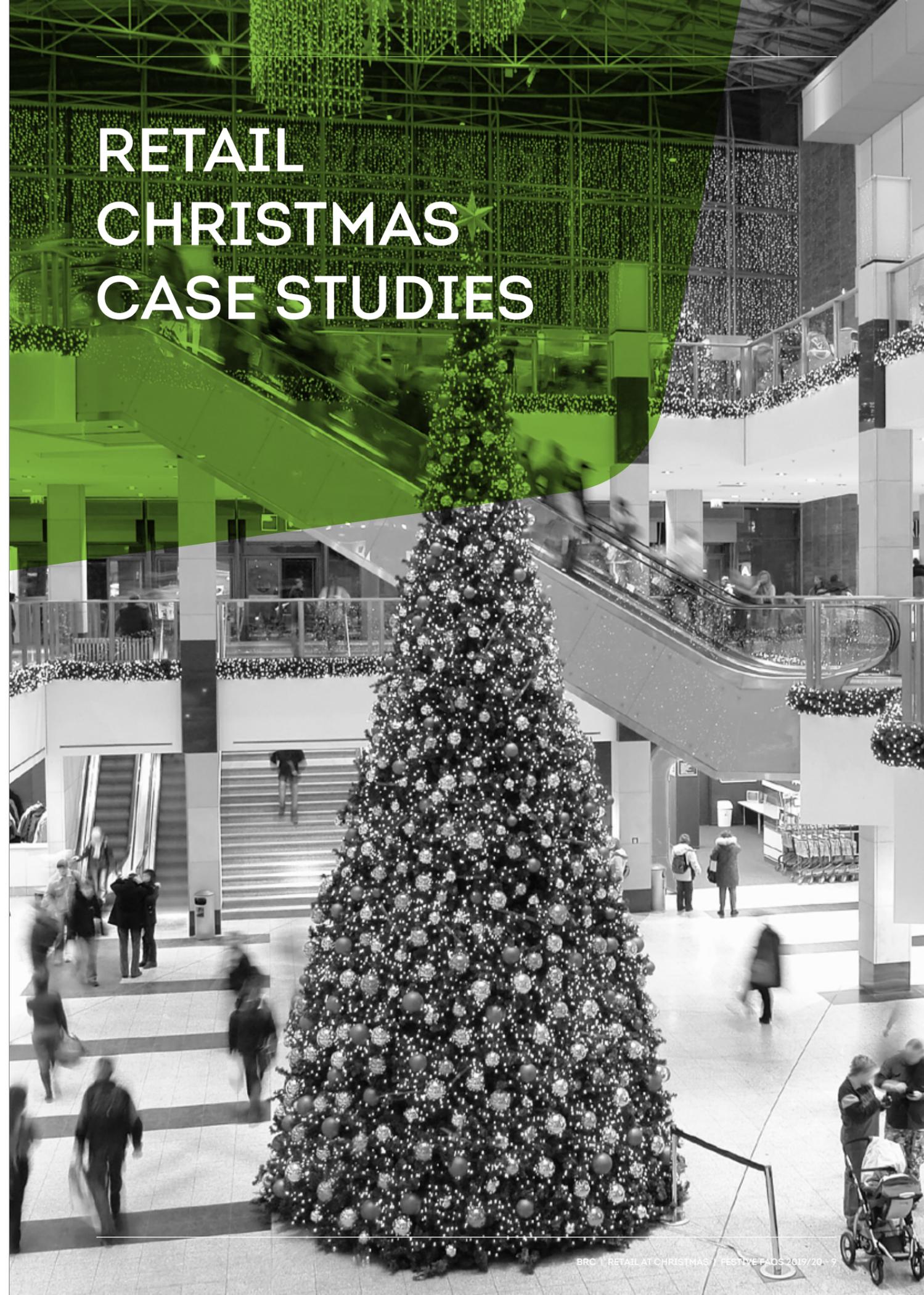
IS CHRISTMAS WRAPPING RECYCLABLE?

Despite how it may appear, not all gift / Christmas wrapping is made of paper. Some of it's made of a very thin plastic which cannot be easily recycled. A quick simple test (although not fool-proof) is to perform the scrunch test. Screw up the discarded wrapping paper and check whether it holds the shape. If the paper remains scrunched, it can be recycled; if it unfurls or springs back, it is destined for the landfill.

Some authorities will not wish to sort this waste, it's always best to check just to be sure.

ARE CHRISTMAS CARDS RECYCLABLE?

Whilst Christmas cards made from card are recyclable, cards with glitter and other adornments may not be. If this is the case, just recycle the back and use the front to make gift tags for next year.





PRET

Throughout the festive season 50p from each of Pret A Manger's range of Christmas sandwiches goes to support the Pret Foundation and their aim of the alleviation of poverty, hunger and homelessness. The 50p donation runs across Pret's Christmas Lunch, Pret's Veggie Christmas Lunch, the Very Merry Christmas Lunch and the new Pret's Christmas Lunch on Gluten-Free Bread, and Pret's two Christmas Baguettes.

Donations support the Pret Foundation, a charity set up by Julian Metcalfe and Sinclair Beecham, the founders of Pret, in 1995. Donations help in three ways; securing job for people experiencing homelessness, donating unused food and supporting charities and shelters.

Through the Pret Foundation's Rising Stars programme, those experiencing homelessness are offered training and support to enable them to get off the street and secure jobs within Pret.

At the end of every day unsold food in Pret is donated to local charities. In London, Pret has its own charity run including vans who support this. Last year over 3 million food items.

Finally, the Pret Foundation support projects and charities up and down the country who are helping people experiencing homelessness. Last year, we worked with over 60 charities.



CO-OP

Co-op store manager Steven Cooper might be 500 miles away from his hometown of Rotherham but this Yorkshireman is far from homesick.

In fact, for the last ten years, 'home' has been the bustling Scottish town of Stornoway in the Western Isles, thanks to a bold store transfer taken up in 2009 by the then 36 year old, along with his wife and three young children. As manager of the town's 22,000 sq. ft. MacAulay Road Co-op, he and his 100-strong team are busy prepping for their busiest – and favourite – time of year: Christmas and Hogmanay.

Stephen, says: "8,000 people live in Stornoway alone with 125,000 inhabitants on the Isle of Lewis. We're a close knit island community and the festive period is an incredibly special time of year. More so than ever, our priority is to provide our customers with a totally convenient shopping experience. It's all very well running out of fizz or smoked salmon at 8.30pm on Christmas Eve when you live in the middle of Brighton or Birmingham but our customers and members rely on us to be open for the times when they need us most. Customers travel from the four corners of the island to shop with us."

"We're only closing our doors on Christmas Day but otherwise will be open throughout the holiday period including Hogmanay and New Year's Day to serve the local community. It's just what we do."

"With a Co-op in every postal area of the UK, and longer opening hours for those last minute shopping trips, the convenience retailer's army of store colleagues will be on hand to serve customers right through the festive season."



BOOTS

In February 2019, Boots announced a new strategic partnership with The Prince's Trust with a joint aim of empowering the next generation by providing meaningful work opportunities that give them the skills, confidence and self-esteem to enjoy healthier and happier lives, regardless of background.

Coinciding with Boots 170th anniversary, Boots and The Prince's Trust have an ambition during their first year of partnership to support 170 young people across the UK through the opportunity to work in retail during the most exciting time of the year – Christmas.

They have developed two bespoke programmes to support young people in five store locations across the UK. One programme is for young people who are experiencing greater barriers to get into work and need more support to secure a role. Boots and The Prince's Trust have created a bespoke 'Get into Retail Programme' which includes an overview of how it feels to work at Boots, employability days and a two-week work experience placement in a store. The second pathway involves a different approach to the traditional recruitment process and is designed for young people who need some light touch support to build their confidence and skills to enable them to succeed. Both pathways provide young people with the opportunity and support needed to help them find work at Boots or if they choose, elsewhere.

Annabelle Leech was one of the young people to take part in the initial programme and was subsequently offered a role as a No7 Advisor in the Boots flagship store on Market Street, Manchester.

On successfully completing her two-week work experience placement and being offered a permanent role, Annabelle said, "It felt amazing and I was so proud because they said I was really confident, which I thought I wasn't, and this really gave me a boost. This will always be a special experience in my life".

These great initiatives have provided the young people involved with an opportunity to kick-start a great career at Boots and in retail.



WAITROSE/JOHN LEWIS

As part of their campaign to bring people together this Christmas, Waitrose & Partners and John Lewis & Partners is hosting Christmas dinners for more than 1,000 vulnerable people across the UK. The retailers are working with food redistribution charity, FareShare, which has nominated more than 50 charities to take part - ranging from homeless hostels to lunch groups for the elderly.

During December, the charities, the people they support, and volunteers will come together to enjoy a Christmas dinner served by Partners from John Lewis and Waitrose. The dinners will either be hosted in private dining rooms in John Lewis shops, or in the local charities' dining spaces.

In addition to the feasts, John Lewis and Waitrose are giving FareShare a £150,000 donation, which is equivalent to providing 600,000 meals. Partners from both retailers have also pledged to volunteer at FareShare Regional Centres during the Christmas period.

Waitrose shops will continue to donate surplus food to charities at the end of each day through FareShare's redistribution app, which links the shop to local groups in need. The supermarket has donated the equivalent of 1.5 million meals to those in need since 2017 and a further 10,000 meals are expected to be donated this December alone.

This year the John Lewis Foundation has been funding FareShare's warehouse and forklift truck training programme in Leeds which is designed to help beneficiaries find employment.

In addition, FareShare is one of three national causes which will receive a share of £25,000 through the Community Matters 'green token' scheme on Waitrose.com over Christmas. Customers will be given a virtual green token to vote for the cause they'd most like to support, with the donation then shared according to the proportion of the vote they receive.



KEY DATES FOR YOUR DIARY

DECEMBER 2019

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
						1
2	3 BRC-KPMG Retail Sales Monitor (November)	4	5 BRC-Hitwise Digital Retail Insight (November)	6	7	8
9	10	11 SRC-KPMG Scottish Retail Sales Monitor (November)	12	13	14	15
16	17 ONS Labour Market Statistics (December)	18 ONS Consumer & Producer Price Inflation (November)	19 ONS Retail Sales (November)	20	21	22
23	24 CHRISTMAS EVE & BRC office closed until 2nd January 2018	25 CHRISTMAS DAY 	26 BOXING DAY & January Sales Begin	27	28	29
30	31 NEW YEAR'S EVE					

KEY DATES FOR YOUR DIARY

JANUARY 2020

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
		1 NEW YEAR'S DAY	2 BRC office re-opens	3 BRC-Nielsen Shop Price Index (December) & Bank of England Money & Credit (November)	4	5
6	7	8	9 BRC-KPMG Retail Sales Monitor (December)	10 BRC-Hitwise Digital Retail Insight (December)	11	12
13	14	15 SRC-KPMG Scottish Retail Sales Monitor (December) & ONS Consumer & Producer Price Inflation (December)	16 BRC Quarterly Trends Analysis (Q4 2017)	17 ONS Retail Sales (December)	18	19
20	21 ONS UK Labour Market Statistics (January)	22	23 BRC Retail Employment Monitor (Q4 2018)	24	25	26
27	28	29	30	31 Bank of England Money & Credit (December)		

FURTHER INFORMATION

WHERE YOU CAN FIND INFORMATION FROM US

Over the Christmas period you can get our most up-to-date statistics and commentary on our Twitter accounts. @BRCDataspaces offers dedicated retail statistics and links to our reports, with @the_brc offering general commentary.



BRC MEDIA ENQUIRIES

T: 020 7854 8924

E: media@brc.org.uk

M: 07557 747 269 (Out of office hours)



WHERE TO FIND SALES FIGURES FOR CHRISTMAS 2019

The BRC office is closed from 24th December until 2nd January and our detailed report on December's retail sales will be released on 9th January 2020, which will include year on year spending patterns by category. Prior to this, the Centre for Retail Research may be able to help in this regard.

WHERE TO FIND INFORMATION ON LENDING LEVELS OVER CHRISTMAS

The Bank of England publishes monthly data on lending levels to individuals that is broken down by type of credit, which for December is due to be released on 31st January. Alternatively contact the Finance and Leasing Association who are a trade body for the consumer finance sector, for information on store cards, or the UK Gift cards and Vouchers Association for statistics on gift cards and vouchers.

LOOKING FOR COMMENTARY ON INDIVIDUAL RETAILERS

As a member organisation we cannot comment on individual companies, therefore retail analysts should be contacted directly.

REGIONAL BREAKDOWNS FOR SALES INFORMATION

Our Scottish Retail Sales Monitor covering December will be released on 15th January, which breaks down retail sales performance by category. For more locally focused sales data, we recommend contacting local retailers directly.





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