



RETAIL AT CHRISTMAS

FESTIVE FAQS 2021/22

BRC



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FUN FESTIVE FACTS



16
The average number of Christmas presents a child in the UK receives



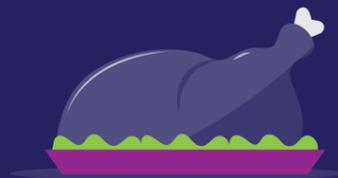
7,000
The number of calories the average Brit consumes on Christmas Day

67.36
METRES

The height of the tallest Christmas tree ever cut



10M
The number of Turkeys eaten at Christmas in the UK



822

The number of homes Father Christmas visits per second to deliver all the world's presents



521AD

The year of the first Christmas celebrated in Britain, apparently in York



SALES

HOW IMPORTANT IS CHRISTMAS TO THE RETAIL SECTOR?

December is the biggest month of the year for most UK retailers, and according to the [ONS Retail Sales Index](#), November and December account for more than 1/5th of the year's sales. We have included the monthly proportions of spending from 2019 because this was the last 'comparable' year given 2020's lockdowns, which caused significant distortions on consumer spending patterns.

Relative Monthly spending	
2019	Month as % of Total Sales
Jan	7.4%
Feb	6.9%
Mar	8.0%
Apr	8.0%
May	8.3%
Jun	8.1%
Jul	8.6%
Aug	8.3%
Sep	7.9%
Oct	8.6%
Nov	9.1%
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



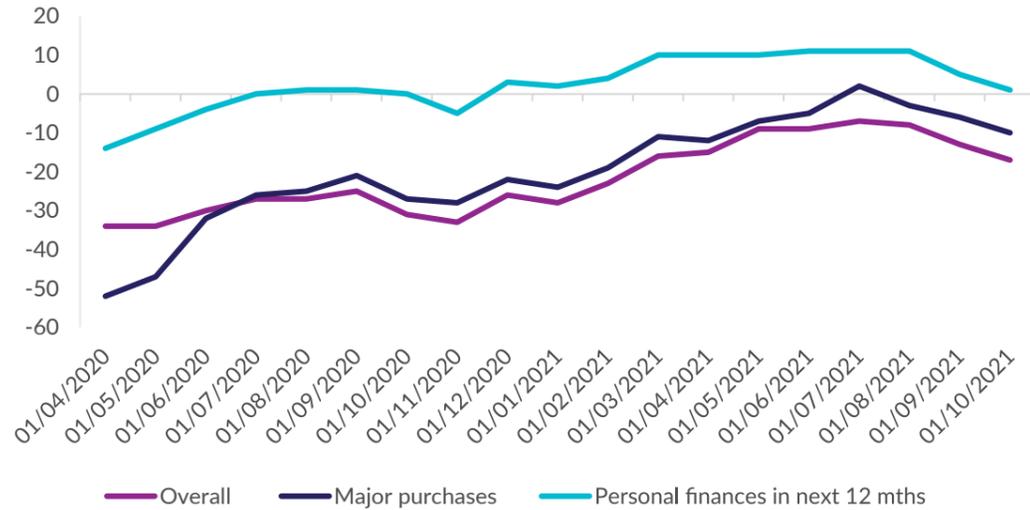
HOW MUCH WILL BE SPENT THIS YEAR?

The Office for National Statistics saw approximately £84 billion spent in December and November last year. However, due to the lockdowns that occurred over the majority of the final two months of 2020, spending during this time was considerably reduced. According to our BRC-KPMG Retail Sales Monitor, sales growth a year to date has averaged 12.3%. We expect this year's festive period will see significant growth, particularly due to the release of pent-up demand from the stifled celebrations last year. Therefore, it is likely that the last two months of this year will see more than £90 billion spent.

According to the Bank of England, a typical UK household spends approximately £2,500 per month, but at Christmas, this increases by an extra £800. Over the festive period, shoppers spend an estimated 16% more on food, 39% more on alcohol and 85% more on books.

On the other hand, consumer confidence has taken a significant hit over recent months following its strong recovery at the beginning of the year. This is due to ongoing effects of the pandemic and significant increases in the cost of living, and this can be clearly seen below in the GfK Consumer Confidence Index.

Consumer Confidence



Source: [GfK Consumer Confidence Index](#)

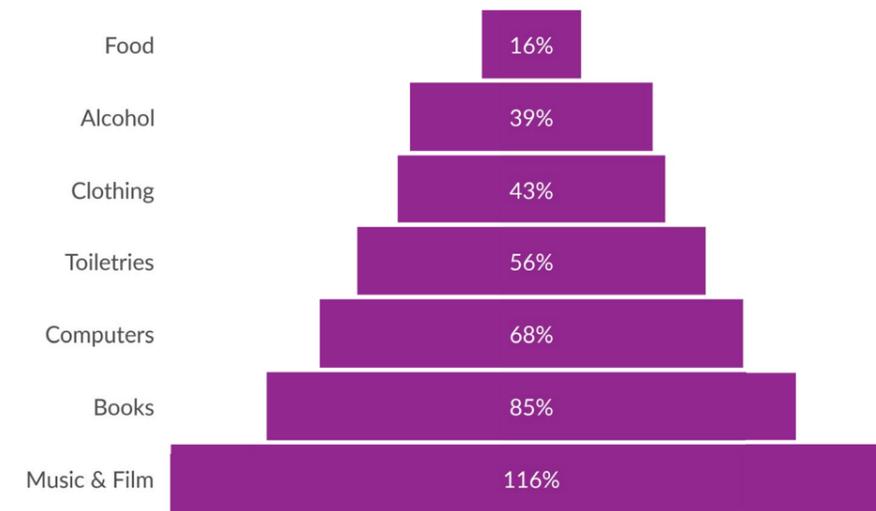
“According to the Bank of England, a typical UK household spends approximately £2,500 per month, but at Christmas, this increases by an extra £800.”

WHERE WILL THIS SPENDING GO?

Food sales made up around 44% of spend in December 2019, with the remainder spent on Non-Food items. We expect a similar pattern this year, as spending returns to more traditional festive patterns, particularly as families and friends are (more likely) to be able to meet face to face.

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. Seeing as the culinary side of Christmas is a highlight for many, the relatively low increase in spend of 16% may seem surprising, but as it is from the largest base figure, there is still a big difference in absolute terms.

Increase In Spending On Products At Christmas



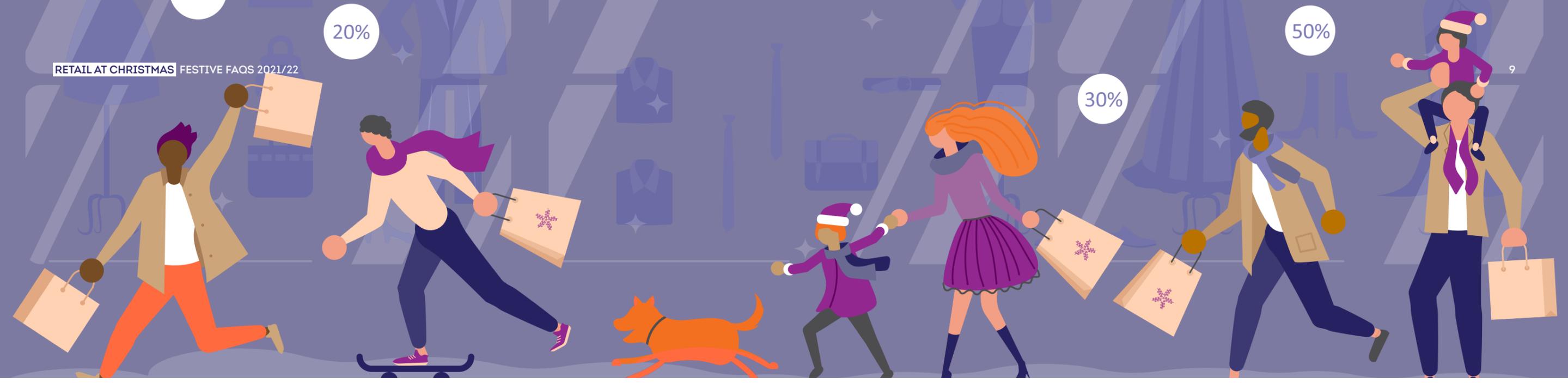
Source: [Bank of England](#)

The shift towards online shopping may have taken a step down from the levels seen during the depths of the pandemic last year, where the percentage of sales made online reached highs of approximately 60%. Since the end of the lockdown in April, they have been at approximately 40%. Nonetheless, this remains above the average of 30% seen pre-pandemic. Despite the strains on retailers' logistics capabilities by the increase in demand at this time of year, we expect online spending to remain significantly above its pre-pandemic levels for the time of year.

20%

30%

50%



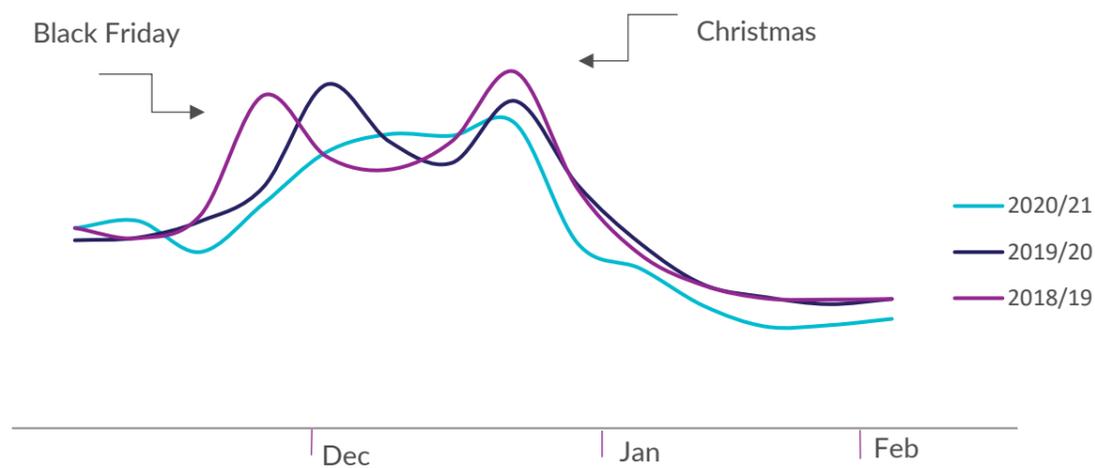
| WHAT IS THE IMPACT OF BLACK FRIDAY?

Black Friday is a day of significant discounts both online and in-store. In recent years it has grown to be one of the major discounting periods of the retail calendar. With increased sales in the weeks leading up to Black Friday, there tends to be less full price sales in the weeks between Black Friday and the immediate run up to Christmas.

Last year, Black Friday was very much a non-event, as the festive spending patterns graph here shows. Given most of the country was under lockdown for

the entirety of November in 2020, consumers were forced to shop online for all but essential retail, which depressed overall spending on Black Friday. However, this year retail spending has followed a more traditional pattern and Black Friday sales returned, with deals spread over a longer period than ever before. As people prepared their wardrobes for the cold weather this winter, consumers took advantage of discounted clothing, shifting the focus of Black Friday from just electronics and household appliances.

Spending Patterns Over The Festive Period



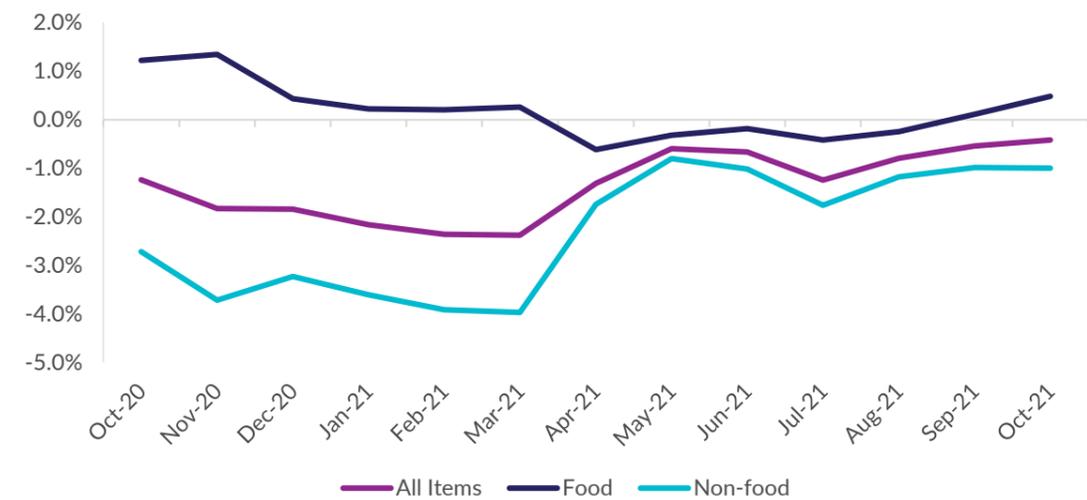
Source: [BRC-KPMG Retail Sales Monitor](#)

| HOW FAR WILL THE £'S STRETCH?

As our [BRC-Nielsen Shop Price Index](#) shows, Food prices have returned to inflation over the last two months, resulting in an increase of 1.1% in November. In 2020, the final months saw prices increase, so we anticipate further pressure on consumers' already stretched finances in the run-up to Christmas. Non-Food prices have continued their deflationary trajectory for the whole year so far, however, the rate of deflation has become considerably less shallow over the last few months. The main cause of this slowdown in Non-Food deflation has been the drastic increase in transportation costs for retailers, from both international shipping prices and the lack of HGV drivers. These rising trajectories will very likely result in overall price increases by the end of the year, which will mean that Christmas shopping will be more expensive than last year as the pounds will not stretch as far.

“Food prices have returned to inflation over the last two months, resulting in an increase of 1.1% in November.”

Shop Price Inflation



Source: [BRC-Nielsen Shop Price Index](#)

HOW BUSY WILL THE SHOPS BE?

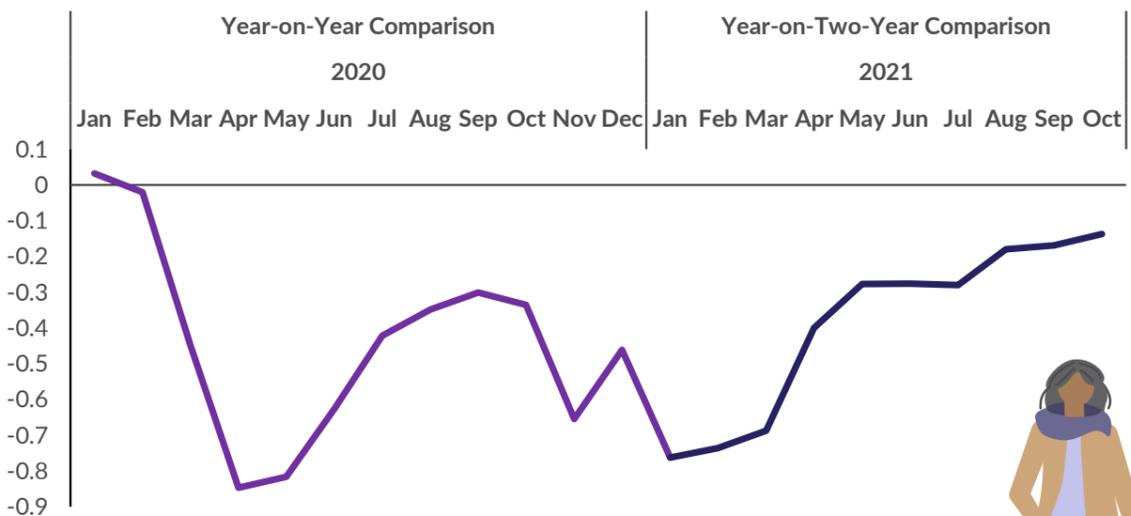
Now that the days of store closures and limits on numbers of customers allowed in-store appear to be behind us, the shops will be much busier this year than in 2020. However, as last year was such an outlier in terms of trading conditions, 2019 is a more representative period to compare the festive results against.

Since the reopening of 'non-essential' retail in April, footfall has been on an upward trajectory. This highlights how consumers are becoming increasingly comfortable returning to stores, helped by the successful roll-out of vaccination programme. However, footfall levels remain below their pre-pandemic levels in 2019, with stores in the UK seeing 16% fewer shoppers in November of this year.

This is because different areas have recovered at different rates. Inner cities, which continue to lack both tourists and office workers, are struggling to entice customers compared to high streets in smaller towns. Retail parks are the only places which have seen shopper levels return to 'normal'. This is not expected to change for the festive period this year, as many people continue to work from home, and it is still difficult to travel abroad.

“Since the reopening of ‘non-essential’ retail in April, footfall has been on an upward trajectory.”

Shop Footfall



Source: [BRC-SensormaticIQ Footfall](#)



WHAT WILL BE POPULAR THIS CHRISTMAS?

With socialising back on the agenda this year, the fashion-related Non-Food categories: Clothing, Footwear, Health & Beauty and Jewellery & Watches have enjoyed the highest year-on-year growth according to our [BRC-KPMG Retail Sales Monitor](#). Retailers have noted that beauty advent calendars and TVs have been popular this year.

HOW BIG WILL SALES OVER BOXING DAY BE?

The BRC does not hold data on Boxing Day sales. An increasing number of consumers are shopping online for their Boxing Day bargains, and given the global climate, this trend will no doubt continue. 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 those that occur before Christmas.

Our BRC-KPMG Retail Sales Monitor will be released on 11 January 2022 and will look at how trading over the festive period in 2021 has fared. It will include year-on-year spending patterns by category.

WHEN WILL THE JANUARY SALES START?

Traditionally, the January sales begin on 26th December. However, many retailers roll out some discounted offers sooner, with sales starting on Christmas Day.

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.

General labour shortages across the supply chain are adding extra pressure on retailers this Christmas, however they have heavily invested in alternatives to ensure they are ready for Christmas.

SUPPLY CHAIN ISSUES & CHRISTMAS

WILL SUPPLY CHAIN ISSUES MEAN SHOPS WON'T HAVE ESSENTIAL CHRISTMAS PRODUCTS?

Retailers are doing everything they can to ensure their customers can purchase the food and goods they want to celebrate this Christmas season. The 'golden quarter' is vital for the industry, and retailers are prioritising Christmas essentials, with many laying out their festive offerings a little earlier to ensure everyone has time to buy treats and decorations before the big day.

HOW WILL THE LABOUR SHORTAGES AFFECT CHRISTMAS THIS YEAR?

While retailers are putting in a gargantuan effort to ensure that essential food and gifts are ready for Christmas, they continue to be dogged by labour shortages throughout the supply chains – from farms to distribution, and particularly for HGV drivers. Retailers are prioritising Christmas essentials, and many have laid out their festive offerings a little earlier to ensure everyone has time to buy treats and decorations before the big day. The retail industry has been calling for action on labour shortages for some time and government needs to find a long-term solution to the shortages being seen throughout the supply chain, particularly on HGV drivers.

WILL ONGOING SUPPLY CHAIN ISSUES HAVE AN IMPACT ON DELIVERIES?

Ongoing supply chain issues are putting added pressure on delivery services across the country. At Christmas, when demand is at its peak, the pressure will be greater. However, retailers have been planning ahead to mitigate any issues and will work hard to address and rectify any other issues as soon as they are made aware of them. Nonetheless, it would be wise for customers to leave a little extra time for deliveries to arrive so that everyone gets the items they need when they need them.

WILL CONSUMERS' CHRISTMAS FOOD SHOP BE MORE EXPENSIVE THIS YEAR?

There are clear signs that the cost pressures from rising transport costs, higher energy and commodity prices, and ongoing labour shortages are starting to filter through to consumer prices. A survey of retailers showed that three in five expected prices to go up by the end of the year, so consumers may notice that their Christmas shopping is a little more expensive this year.

SHOULD CONSUMERS BE DOING THEIR CHRISTMAS SHOPPING EARLIER THIS YEAR?

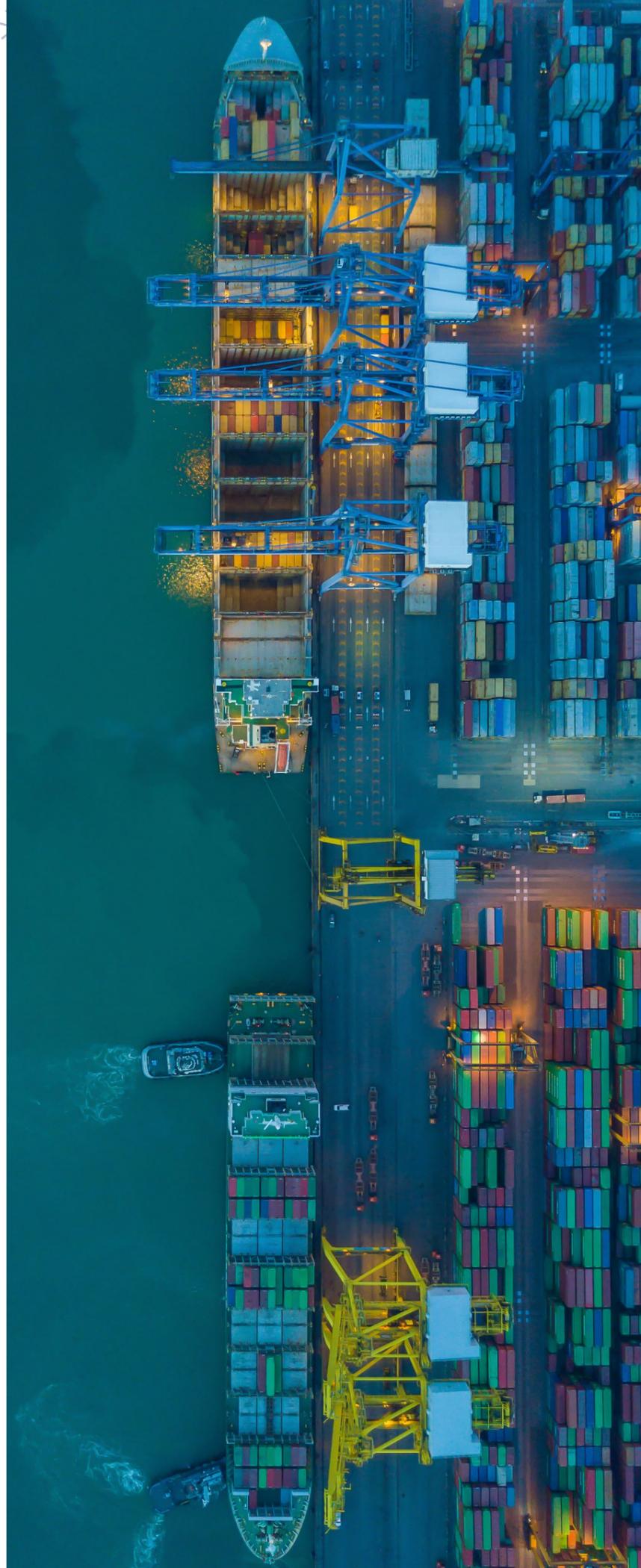
In any year, some people begin their Christmas shopping early to get it out of the way before the December rush. Shopping early can also be a good way to spread the cost of food and gifts over the festive season. Consumers can shop as they normally would, Christmas is hugely important for retailers, so they will work hard to ensure everyone can get the goods they need and want to celebrate.

WILL THE LABOUR SHORTAGES MEAN SHOPS WILL CLOSE OVER CHRISTMAS?

Shops will be open as normal this Christmas. However, we recommend customers consult the retailer's opening hours as these sometimes differ during the festive period.

WHAT IS THE LATEST DATE CONSUMERS CAN ORDER ITEMS TO ENSURE THEY ARRIVE IN TIME FOR CHRISTMAS?

As with any year, we would always encourage consumers to start their Christmas shopping in good time to ensure you receive your desired goods in time. If you are shopping last-minute, we would recommend consulting the retailer for specifics to guarantee delivery before Christmas.



COVID & CHRISTMAS



WILL CHRISTMAS BE BIGGER THIS YEAR GIVEN LAST YEAR WE WERE IN LOCKDOWN?

We expect consumers will want to make the most of the holiday after last year's restrictions on socialising and other festivities. Therefore, food sales may do particularly well this year given more people will be getting together on the big day. We also anticipate that there will be a greater demand for in-store shopping than there was last Christmas.

WILL RETAILERS RE-INTRODUCE COVID SAFETY MEASURES THIS CHRISTMAS CONSIDERING THE RISE IN CASES?

Retail has remained a safe space during the pandemic, investing hundreds of millions implementing safety measures, and retailers will continue to do everything necessary to keep their customers safe.

BREXIT

WHAT NEW CHECKS WILL COME IN FOR 2022 AND HOW WILL IT IMPACT RETAILERS?

The government has delayed the imposition of checks on EU goods entering the UK until mid-2022 to stop Brexit further exacerbating ongoing supply chain problems. Currently British exports to the EU are subject to full checks, while imports into the UK by European competitors are mostly free of paperwork and border controls.

From 1 January 2022:

- The requirement to submit a pre-notification for sanitary and phytosanitary (SPS) goods via the Import of Products, Animals, Food, and Feed System (IPAFFS), the online system for notifying the UK government of relevant imports has been postponed from October to 1 January 2022.
- The requirement to make full customs declarations and controls on imports will be implemented, as originally planned, from 1 January 2022.

From 1 July 2022:

- The requirement to submit Export Health Certificates and wider health and phytosanitary certificates has been delayed from 1 October 2021 to 1 July 2022.
- The carrying out of physical checks on SPS goods at Border Control Posts has been delayed from 1 January 2022 to 1 July 2022.
- Entry Safety and Security declarations for imports have been delayed from 1 January 2022 to 1 July 2022.

Retailers have been preparing for these checks, but there may be an adjustment period or "teething problems" as retailers and their suppliers adapt to the new system, with the risk of some delays to product delivery.

WHAT WILL HAPPEN IF THE UK INVOKES ARTICLE 16?

Article 16 sets out the process for taking unilateral "safeguard" measures if either the EU or UK concludes that the deal is leading to serious practical problems or causing diversion of trade. Those safeguards would amount to suspending parts of the deal.

If the UK triggers Article 16, retailers will not be given that certainty and stability that businesses need: in fact, it creates more instability, more uncertainty, and will lead to more negotiations.

In a worst-case scenario, it could threaten to create a trade war and potentially damage the Brexit trade agreement.

We are emphasising the need for negotiated outcome and to avoid triggering Article 16, as well as agreement on trade mitigations GB to NI. Our asks are stability, certainty, simplicity, and affordability.

WILL CHRISTMAS FOODS ADHERE TO THE SAME STANDARDS AS LAST YEAR WHEN THE UK WAS STILL IN THE EU?

Retailers manage their supply chains to ensure food is produced to a standard above and beyond the legal requirements. Consumers drive market demand, and retailers will not change their commitment to high standards, regardless of the fact that we have now left the EU.



2022

WHAT DO WE FORECAST FOR RETAIL SALES NEXT YEAR?

After relatively strong sales growth this year, retailers are finally getting back onto their feet post-pandemic. However, it is not clear that this demand will continue into 2022, with sales growth slowing in the second half of the year and the news of the new Omicron variant. Consumers are likely to face higher prices for retail goods in the future, compounded by the multitude of other costs such as higher energy bills and rising national insurance.

WHAT CAN CONSUMERS EXPECT TO SEE IN RETAIL NEXT YEAR?

At a time when consumer behaviours are changing fast, customer experience is more important than ever, so brands will have to work harder than ever to emotionally engage with consumers and retain loyalty. Retailers need to evolve with the consumer to hold onto their brand relevance in 2022 and beyond. Innovation must be smarter and faster, and brands need to show off their culture and purpose. Sustainability must be at the heart of their business and across the entire supply chain. Supply chains must also be agile, and brands need to anticipate and plan for rising prices with clear customer communications to instil people with confidence.



CRIME

WHAT ARE RETAILERS DOING TO PROTECT THEIR COLLEAGUES FROM CRIME AT CHRISTMAS?

The retail industry invests over a billion pounds a year combatting crime. Regrettably, there are over 450 incidents of violence or abuse against retail workers every day. The BRC has long called for the Government to take decisive action through the creation of a specific criminal offence. This would ensure that those who assault retail workers face the full force of the law and it would make staff feel better protected. We remind customers to be respectful and considerate of shop staff and other customers when shopping.

HOW CAN CONSUMERS ENSURE THEY STAY SAFE WHEN 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. Retailers will continue to engage fully with all stakeholders, including the security services, to ensure that they are doing everything possible to protect the customers they serve. We also encourage consumers to be careful and buy through trusted websites, such as those of BRC members, to ensure that their Cyber Monday deal doesn't turn into a post-Christmas headache.

“The retail industry invests over a billion pounds a year combatting crime. Regrettably, there are over 450 incidents of violence or abuse against retail workers every day.”

SUSTAINABILITY

IS CHRISTMAS WRAPPING RECYCLABLE?

Despite how it may appear, not all wrapping is made of paper, and some cannot be easily recycled. A quick simple test (though 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 should be disposed with general household waste.

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, you can just recycle the back and use the front to make gift tags for next year.

KEY DATES FOR YOUR DIARY

DECEMBER 2021

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
		1 BRC-Nielsen Shop Price Index	2	3 BRC-SensormaticQ Footfall Monitor	4	5
6	7 BRC - KPMG Retail Sales Monitor	8	9	10	11	12
13	14 ONS Labour Market Statistics (Dec)	15 SRC-KPMG Scottish Retail Sales Monitor (Jan) & ONS Consumer Price Inflation (Nov)	16	17 ONS Retail Sales Index (Nov)	18	19
20	21	22	23	24 Christmas Eve & BRC office close until 3 Jan 2022	25 Christmas Day	26 Boxing Day & Jan Sales Begin
27 Bank Holiday	28 Bank Holiday	29	30	31		

JANUARY 2022

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
					1 New Year's Day	2
3 Bank Holiday	4 BRC offices re-open BRC-Nielsen Shop Price Index	5	6	7 BRC-Sensormatic Solutions Footfall Monitor	8	9
10	11 BRC - KPMG Retail Sales Monitor	12	13	14	15	16
17	18 ONS Labour Market Statistics (Jan)	19 SRC-KPMG Scottish Retail Sales Monitor (Dec) & ONS Consumer Price Inflation (Dec)	20	21 BRC Quarterly Trends Analysis (Q4 2021) ONS Retail Sales Index (Dec)	22	23
24	25	26	27	28 BRC-LDC Q4 Vacancy Monitor	29	30
31						

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. @BRCDDataSpace offers dedicated retail statistics and links to our reports, with @the_brc offering general commentary.

BRC MEDIA ENQUIRIES

T: 020 7854 8924 (including out of hours)

E: media@brc.org.uk (recommended to phone)

WHERE TO FIND SALES FIGURES FOR CHRISTMAS 2021

The BRC office is closed from 24 December until 4 January and our detailed report on December's retail sales will be released on 11 January 2022, which will include year on year spending patterns by category. Prior to this, we will not have any data on Christmas sales – however the Centre for Retail Research may be able to help.

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 4 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 19 January, which breaks down retail sales performance by category. For more locally focused sales data, we recommend contacting local retailers directly.



The BRC's purpose is to make a positive difference to the retail industry and the customers it serves, today and in the future.

Retail is an exciting, dynamic and diverse industry which is going through a period of profound change. Technology is transforming how people shop; costs are increasing; and growth in consumer spending is slow.

The BRC is committed to ensuring the industry thrives through this period of transformation.

We tell the story of retail, work with our members to drive positive change and use our expertise and influence to create an economic and policy environment that enables retail businesses to thrive and consumers to benefit. Our membership comprises over 5,000 businesses delivering £180bn of retail sales and employing over one and half million employees.



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