



Round Up of Weekly Retail News (ROAR) 06/08/2017

Welcome to our first edition of the ROAR – customised for retailers and suppliers to have at hand first thing on a Monday morning. A round up of what you will be discussing or need to discuss in those Monday Sales meetings, to help understand what might have affected your sales last week and any news that could affect you in the future.

This is our first one so all feedback is welcome, we really believe this is going to be a one stop shop for you and your teams to catch up on what's been happening in the past week in retail.... a lot can happen in a week!

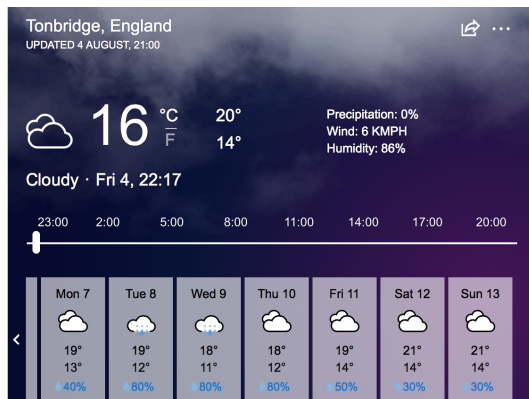
Weather

Last week's UK weather was certainly mixed – we had hot sunny days followed by days of torrential rain. Both the north and south saw similar patterns of rain and sunshine.

People certainly would have started to think that the summer has already come and gone – which is going to be tough for fashion retailers as customers will stay away from buying new clothes until they know exactly what they should be wearing.

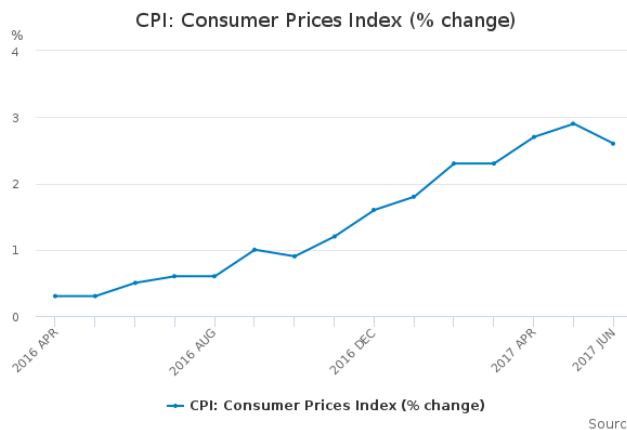
Homeware retailers may possibly have got a boost last week but when it's consistent rainfall its harder to say. Shopping centres should have seen a boost on Wednesday/Thursday but as we headed into the weekend there was stabilized weather.

Looking at the week ahead (London) – Cloudy and Wet...is Summer over?



Sales and Trade reporting last week

Inflation fell in July unexpectedly against months of growth since the EU Referendum, which also meant shop prices also came to a halt in July. The fall was mainly driven by lower fuel prices, reflecting weaker oil prices.



Some favourable results coming out of retail last week – which is always good news as it also lends itself to a nice boost in peoples thinking about their own spending. However, it's not always good news for those who aren't doing so well, frantically looking for reasons why their sales didn't improve.

British retail sales growth hit a 3 month high in July, boosted by groceries and summer clothing. According to a CBI survey. CBI monthly retail sales balance rose to +22 in July from +12 in June.

John Lewis online sales grew by 7.2%. Home sales +7.7% vs. same week LY. Fashion only +1.5%.

Next shares in FTSE 100, climbed nearly 10%, after its chief executive, Simon Wolfson, said hot weather in June and July had triggered an increase in online sales and slowed the pace of decline in the group's stores. Its retail store sales were still down by 7.4%, but its continued growth Online (over 11%) boosted their entire figures.

Apple has continued to see growth, growing 6 percent year vs. LY, and profit was up 12 percent over the same period in 2016. This has been attributed mainly to

Apple pay, the App store and Apple Music. with sales increasing by 20%, and a 15% increase in Ipad sales.

Asda have posted their worst annual figures, down 19% on the previous year to £791.7m. Sales for the year fell by 5.7%. However, they have seen some signs of improvement, with sales down 2.8% vs. LY in May, versus being 2.9% down in the fourth quarter of LY.

Travis Perkins, which owns Wickes and Tile Giant amongst others, reported a 2.1 % drop in first half operating profit, which shows a downturn in the heating and plumbing market. This goes hand in hand with the news that Britain's construction sector had a fall in orders in the month of July. However, house prices grew in July by 0.3%, this was mainly attributed to a lack of housing as opposed to growth in the economy.

Important launches taking place last week



Selfridges have soft launched their Christmas shop, including Christmas food. Different from other years when Christmas food normally launches in October. Their second wave of stock will launch on Sept 4th.

Store launches announced last week

Asics, the Japanese sporting brand, have opened their flagship store in Regent Street in approx. 840 sq. metre space.

Luxury women's fashion retailer, Maje, have announced opening their flagship store in Regent Street next year. This would be its 10th store opening in the UK. It's no small player, with sales reported at £522 million in 2015. To be honest I think I want all their clothes!



Pleated tie-dye midi skirt, ~~£209~~ -40% £125.4



Suede M bag, ~~£209~~ -40% £125.4



Midi frilled skirt, ~~£175~~ -30% £122.5

Oliver Bonas are set open are set to open their second Belfast store in Arthur Street later this year.

Cath Kidston opened their brand new Tottenham Court Road this week – this will definitely be a big hit to Paperchase who also have their Flagship store on Tottenham Court Road.

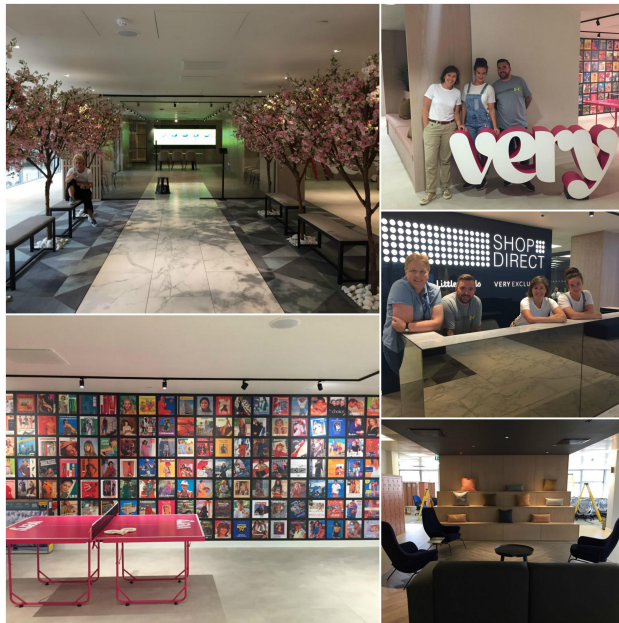
Luxury multi-brand retailer Flannels has opened its first store in Scotland at Glasgow's Silverburn centre. It's had rapid expansion and now has 15 stores across the UK, with plans for opening on London Oxford street, Middlesborough and Isle of Man.

WHSmith opened its first store in Italy, in Torino Airport this week. It has now 1300 stores globally. Last reported sales in June showed a 4pc decline in the 15 weeks to June. However, its travel stores are still continuing their success with total sales +8pc, and LFL +5pc.

We all know that the Craft market is growing and it's interesting to see that the Works have just launched a new format store in Leamington Spa called the Craft Works. It appears to be the first one in the country and the focus is on art supplies, paper craft, kids craft, haberdashery and model making.



Shop Direct have opened what looks like a very exciting brand new tech hub in Victoria London. It encompasses all of its brand and really bringing something different to the retail world!



Important to take note of...

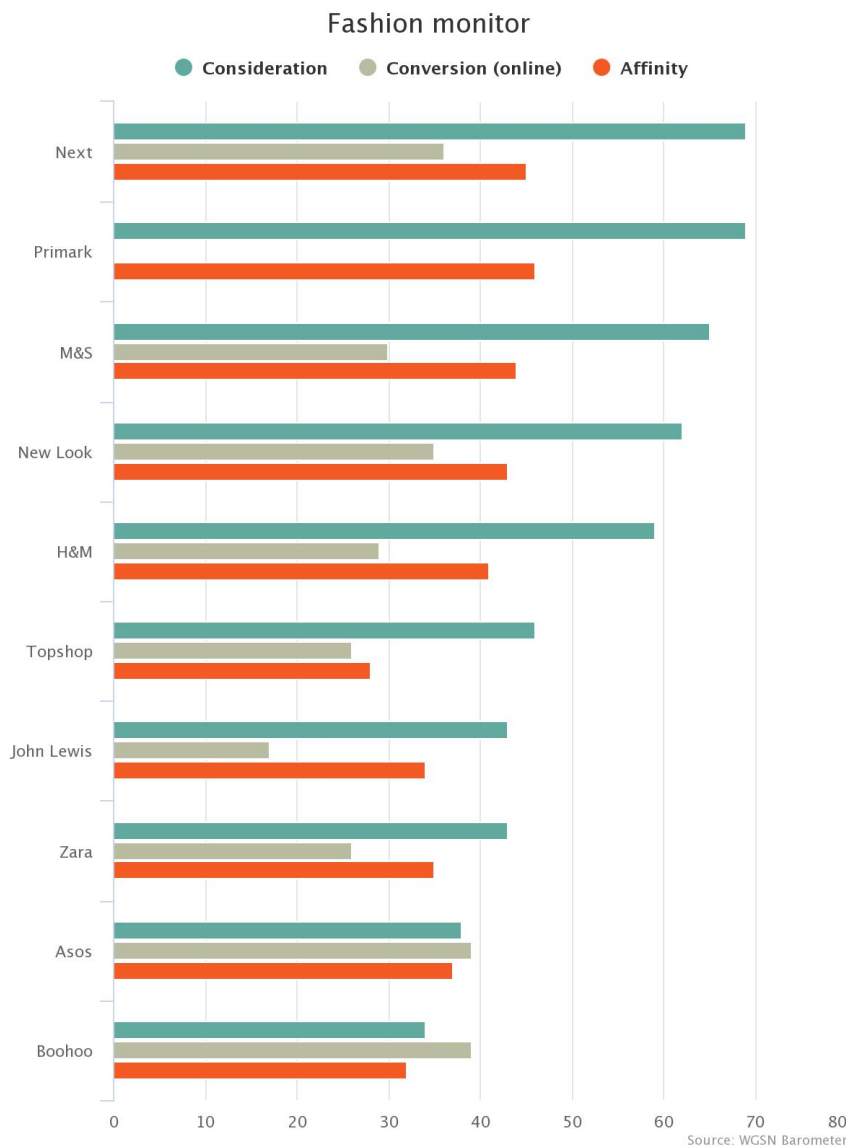
M&S have announced they will be conducting a small trial of Wasabi counters coming in as a concession in their food halls. This is the first of a co-branded partnership for both, but definitely offers something different and will improve the shopping experience. A very exciting venture for all those sushi lovers out there!

Fashion brand Joules has penned a deal with sofa specialist DFS to launch its first ever sofa collection, which sounds very interesting and shows more moves for companies collaborating to bring new ideas to the market.

Australian home wares retailer House has announced plans to launch in the UK, the first one looking set to open in April 2018. It has over 170 stores in Australia and is planning to open 75 stores in the UK.

The world of Online

Asos has some competition! In the week ending July 14, Boohoo increased in consumer consideration from 31% to 38%, while Asos had dropped from 41% to 38% among a national audience. Ps we love the following chart from WGSN!



Who's buying who?

DFS are set to buy Sofology and will keep its 37 stores going. This will be part of the brands already heavy portfolio that includes Dwell and Sofa Workshop.

Morrisons has taken over Nisa and will solely be supplying McColls with a supply deal worth £1 billion.

There have been reports that Office Depot and Staples are set to merge in the US. It's all rumours still, but interesting as last year a Federal judge in the US blocked their merger.

B&M, the discount retailer, has bought the Heron food group in a £152 million deal. The deal will mean development of the Heron brand. B&M has seen some significant growth this year, with quarter LFL sales up 7.3pc vs. last year and total sales +18.3pc. This deal will mean a portfolio of 543 stores.

Our pick of the press articles

The Evening Standard wrote a piece on their 5 best stationery brands to follow on Instagram – definitely great to view!

1. Paperchase
2. Kikki.k
3. Present & Correct
4. Ohh Deer
5. Caroline Gardener

<https://www.standard.co.uk/shopping/5-of-the-best-stationery-brands-a3597951.html>

Harrods are always doing something different....loving this collab!

<http://www.latimes.com/fashion/la-ig-wwd-gucci-garden-harrods-20170801-story.html>



Did any stationery news tickle our fancy?

It's going to be hard to avoid this Emoji range from NPW as we edge closer to the movie being released this week!

<https://www.npwgifts.com/stationery/get-emojinal.html>

And to make sure you know the Goss in the office!

Celebrity Big Brother 17 launched this week – yes, I don't have any idea who they are either!

<http://www.msn.com/en-gb/news/other/who-is-going-on-celebrity-big-brother-2017/ar-AAp1605>

Barcelona football player Neymar has agreed a move to PSG worth an estimated €222m 5 year deal. It's the highest amount recorded for a move and he is now the world's most expensive player!

Only A Stationery Addict Will Get Over 75% In This Quiz:

https://www.buzzfeed.com/genamourbarrett/if-youve-done-these-things-youre-a-stationery-addict?utm_term=.dlrK6lGzx#.ywd4zyJK6

Sources

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This week's ROAR was collated by Faika Khurram, Retail Analyst and Consultant at Bright Disposition Ltd. Email roar@brightdisposition.com.

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