JUNE 2024 TOWN & CITY CENTRE BEAUCLAIR INSIGHTS:

SPENDING IN JUNE SUBDUED BY COOL RAINY WEATHER AND ELECTION UNCERTAINTY, BUT BOLSTERED BY THE EUROS

According to Diane Wehrle, of Rendle Intelligence and Insights & Beauclair's Brand Ambassador.

Spending in UK towns and cities weakened in June 2024, with a drop of -4.7% from June 2023 versus just -0.6% in May. The poorer performance emanated from a combination of both fewer customers purchasing in store (-2.8%) and fewer transactions being made during the month (-4.9%). However, on a positive note, the value of each transaction (the ATV) rose marginally in June from June 2023, by +0.2%.

There are likely to be two key factors driving this result. Firstly, the weather (a perennial topic in retail), with spending likely to have been impacted by much cooler rainy weather occurring in June this year, versus what was the hottest June on record in 2023. The second factor was the impending general election that took place on 4th July, which may have led to increased caution amongst consumers in terms of spending during June.

Whilst a direct correlation between consumers' buying behaviour and political uncertainty has not been proven conclusively, in the month prior to the previous eight elections data shows an average drop in retail volume growth of -3%, versus an average rise in volume growth of +1.9% in the month post these elections (Source: Global Data). This pull back in spending is reflected in a reduction in confidence amongst consumers about their personal situation; the Global Data Future Sentiment Tracker index dipped in June to -27.2 from -26 in May, and the GFK index score relating to consumers' views on their personal financial situation over the next 12 months dropped from 7 in May to 4 in June.

Across the ten retail sectors, the only two where spending rose from June 2023 were Entertainment and Food & Drink (+2.3% and +0.5%). Spending in these two sectors, which are likely to have benefited from the Euros footfall championship which began on 14th June, was advantageous as together they account for 27% of total spending. At the same time, the overall result for June was constrained by drops in the Fashion and Grocery sectors (-6.8% and -3.6%) which account for 24% and 18% of total spending respectively. However, whilst spending in both sectors dropped in June this year, this followed noticeable rises in spending in June 2023 when the weather was hot and sunny (+7.3% in Fashion and +3.3% in Grocery), resulting in a largely flat performance over the two years from June 2022.

The question on everyone's lips is inevitably whether spending in high streets will bounce back in July now that the general election is in the past. If the trend identified by Global Data in the month following the past eight general elections is to be believed, then we are likely to see a rise in retail volumes of around +1.9%. Indeed, this prediction is not out of kilter with July last year when spending rose by +1.2% from July 2022, although as always for high streets and retail, the outcome – particularly for Fashion - will at least in part be contingent on the weather. However, England's performance at the Euros is likely to provide a positive contribution to spending on Food & Drink during the first half of the month, making a probable uplift in July more likely.

GB Benchmark – June 2024

Sector	Sales vs Jun 2023	Customers vs Jun 2023	ATV vs Jun 2023	ATV
Fashion	-6.8%	-8.5%	+2.7%	£33.65
Food & Drink	+0.5%	-3.9%	+4.8%	£13.19
General Retail	-3.7%	+0.5%	-2.1%	£15.52
Grocery	-3.6%	-1.5%	+0.8%	£14.19
Health & Beauty	-2.0%	-5.4%	+5.1%	£25.92
All Sectors	**-4.7%**	**-2.8%**	**+0.2%**	**£18.42**

GB Benchmark – YTD June 2024

Sector	YTD Sales vs Jun 2023	YTD Customers vs Jun 2023	YTD ATV vs Jun 2023	YTD ATV
Fashion	-6.8%	-5.6%	-1.5%	£32.25
Food & Drink	+0.0%	-2.4%	+2.8%	£13.15
General Retail	+0.5%	-0.5%	-0.2%	£15.93
Grocery	-0.1%	-1.4%	+1.4%	£14.38
Health & Beauty	+0.5%	-3.3%	+3.2%	£25.71
All Sectors	**-3.3%**	**-1.3%**	**-1.2%**	**£18.10**

Our GB Benchmark is based on the median retail performance of 62 Town & City Centers nationwide, as defined by Centre for Cities.