



BRITISH RETAIL CONSORTIUM
for successful and responsible retailing



RETAIL TRADING ENVIRONMENT 2010 KEY CHALLENGES

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Agenda

- **Introducing the BRC**
- **Current retail climate**
- **Where are we now**
- **Outlook**



What is the BRC?

- 30,000 retail businesses
 - Large and small
 - High Street and OOT
 - Food and non-food
 - Stores, Direct, Multi-channel
- 80% of all retail
- London, Brussels, Edinburgh
- Retail
 - 2.8m direct employees (11% UK)
 - Turnover of £287 bn
 - 8% GDP



The BRC and lobbying



- Voice of a diverse industry
- Representing the views of retail to Government – UK, local authorities, EU, the media and the public
- Powerful links to legislative process
- Industry data to the BoE, Government and members



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John Lewis



the Co-operative Group



CRABTREE & EVELYN®



Sainsbury's





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BRC Trade Association Members

- 17 trade association member including: Horticultural Trades Association, British Hardware Federation, British Shops and Stores Association plus others, representing more than 30,000 small and independent retailers.



THE WINE AND SPIRIT TRADE ASSOCIATION

retra



The Horticultural Trades Association

Developing Business in the Garden Industry



Current Retail Climate in the UK

- Slow economic recovery
- BRC-KPMG Retail Sales Monitor – sales up 5 of the last 6 months in 2009
- Consumer confidence remains fragile
- Unemployment still high
- Temporary factors pushing up CPI Inflation



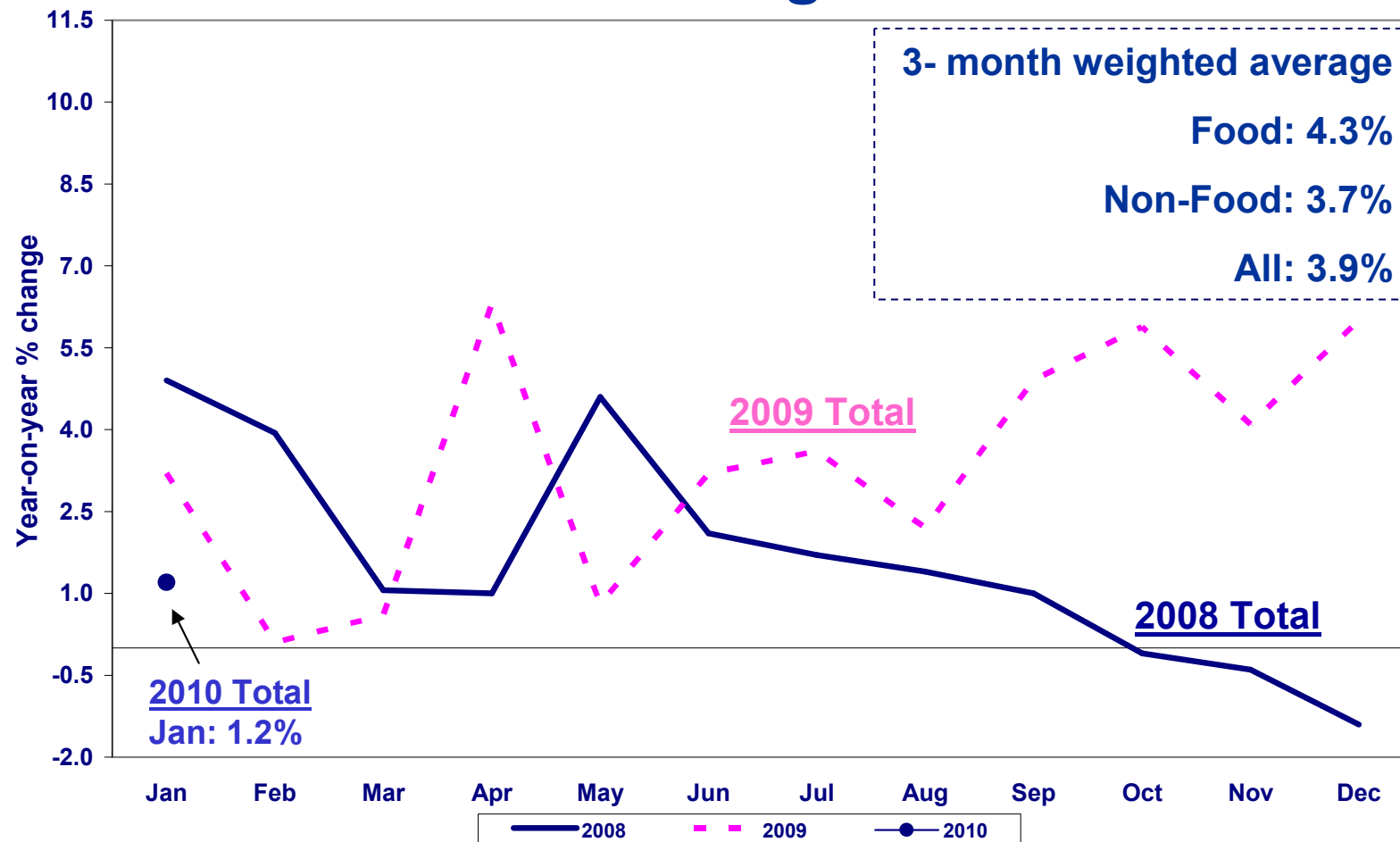
Retail Stocks





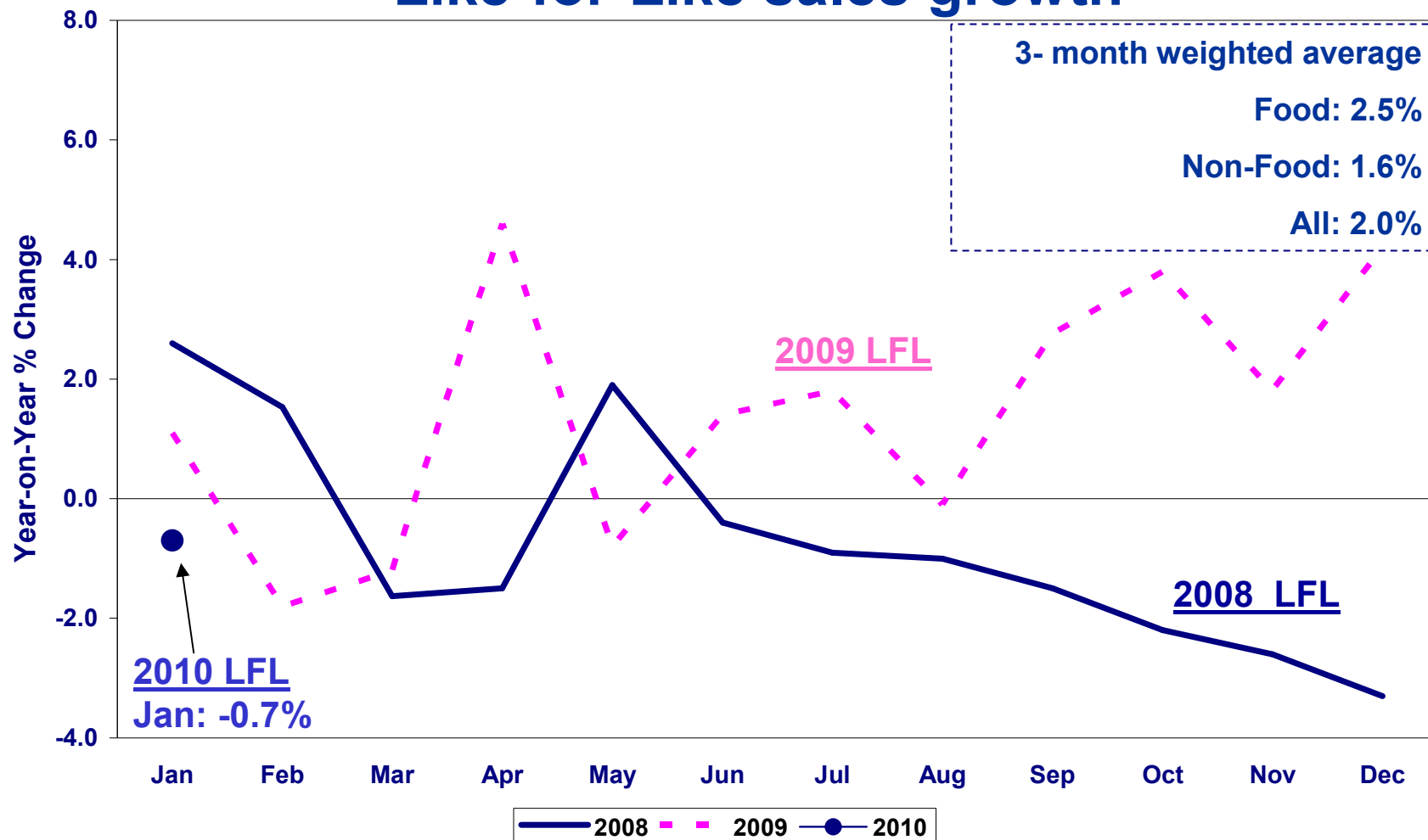
2008 Total

BRC-KPMG Retail Sales Monitor: Total sales growth



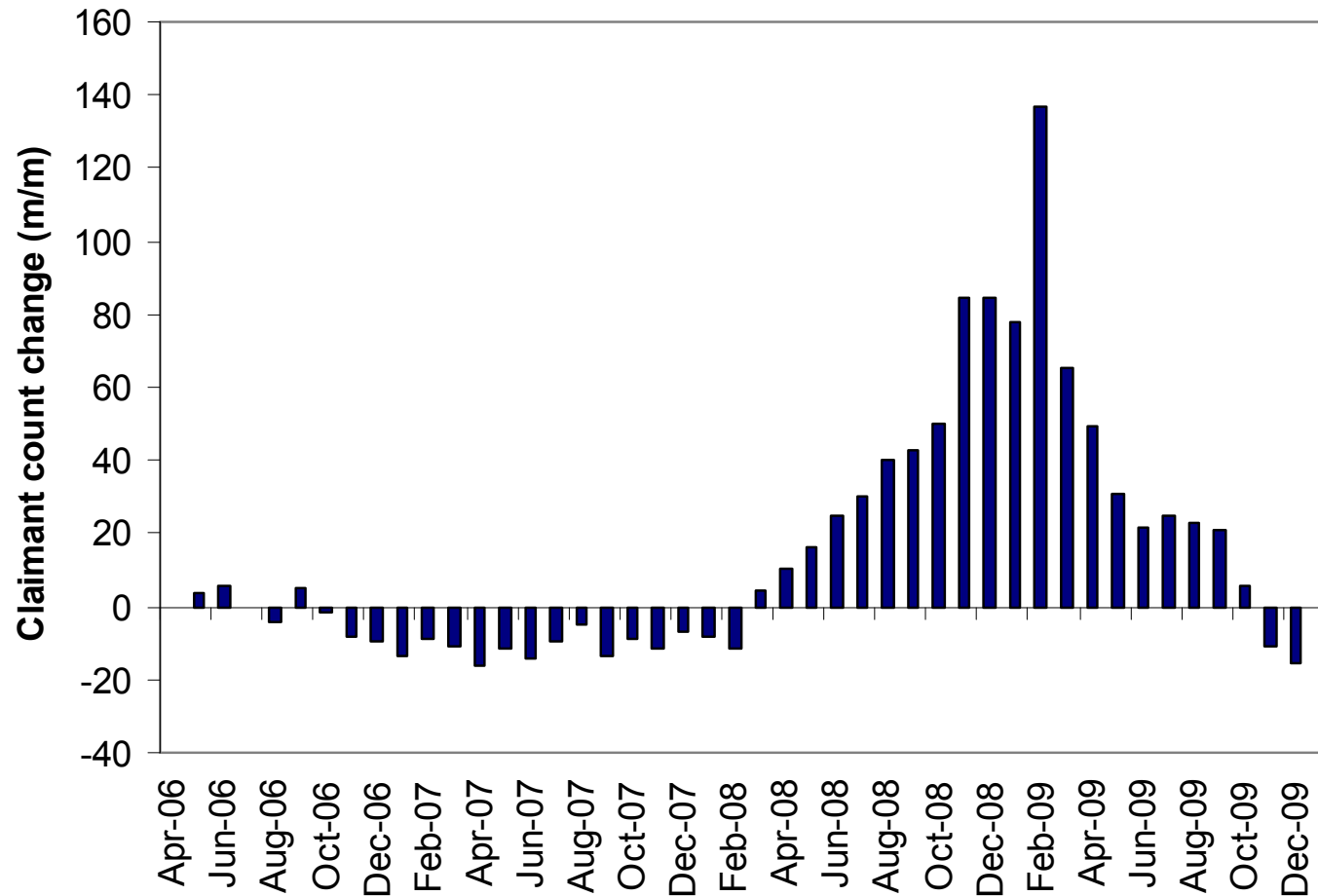


BRC-KPMG Retail Sales Monitor: Like-for-Like sales growth



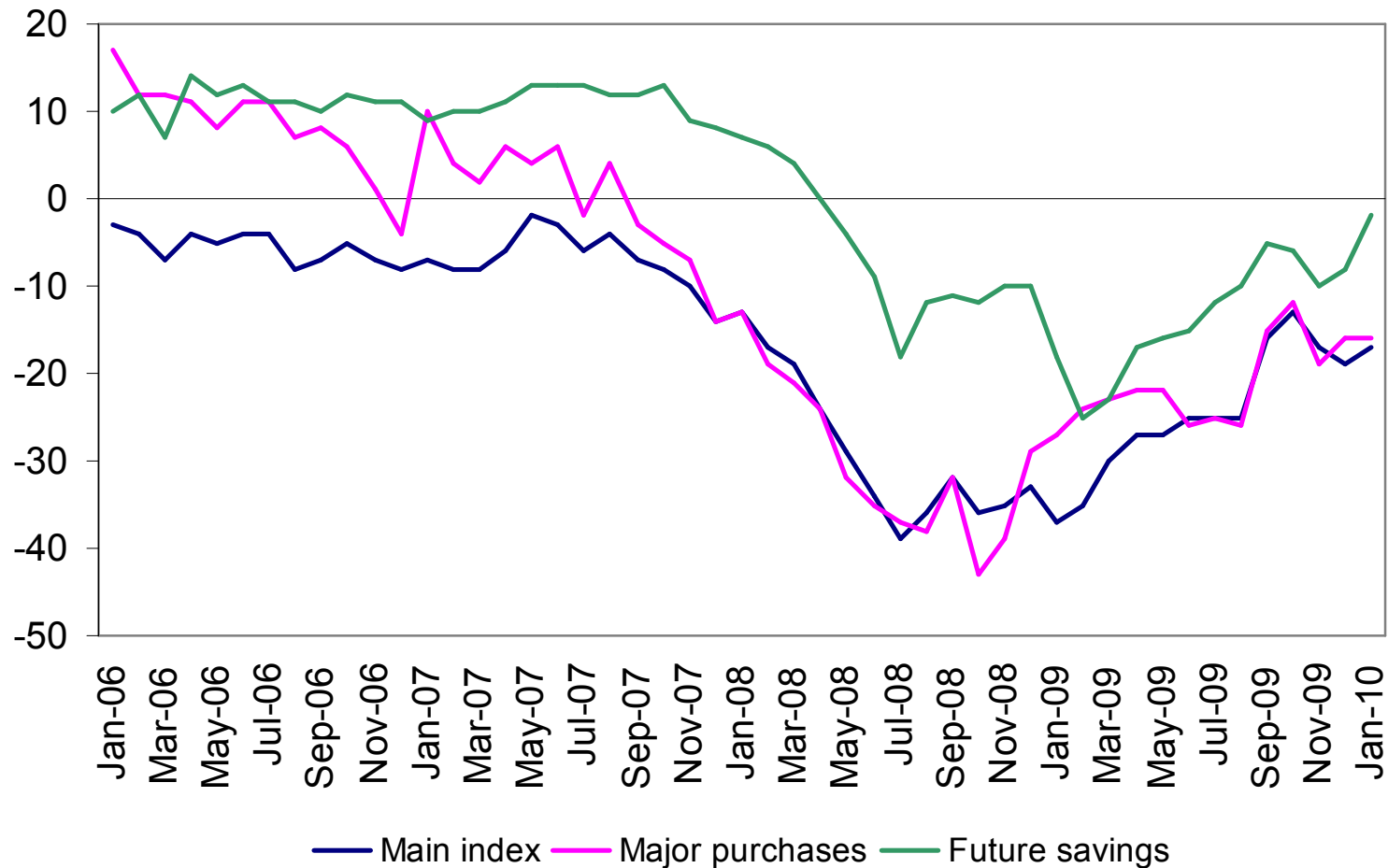


The UK Labour Market



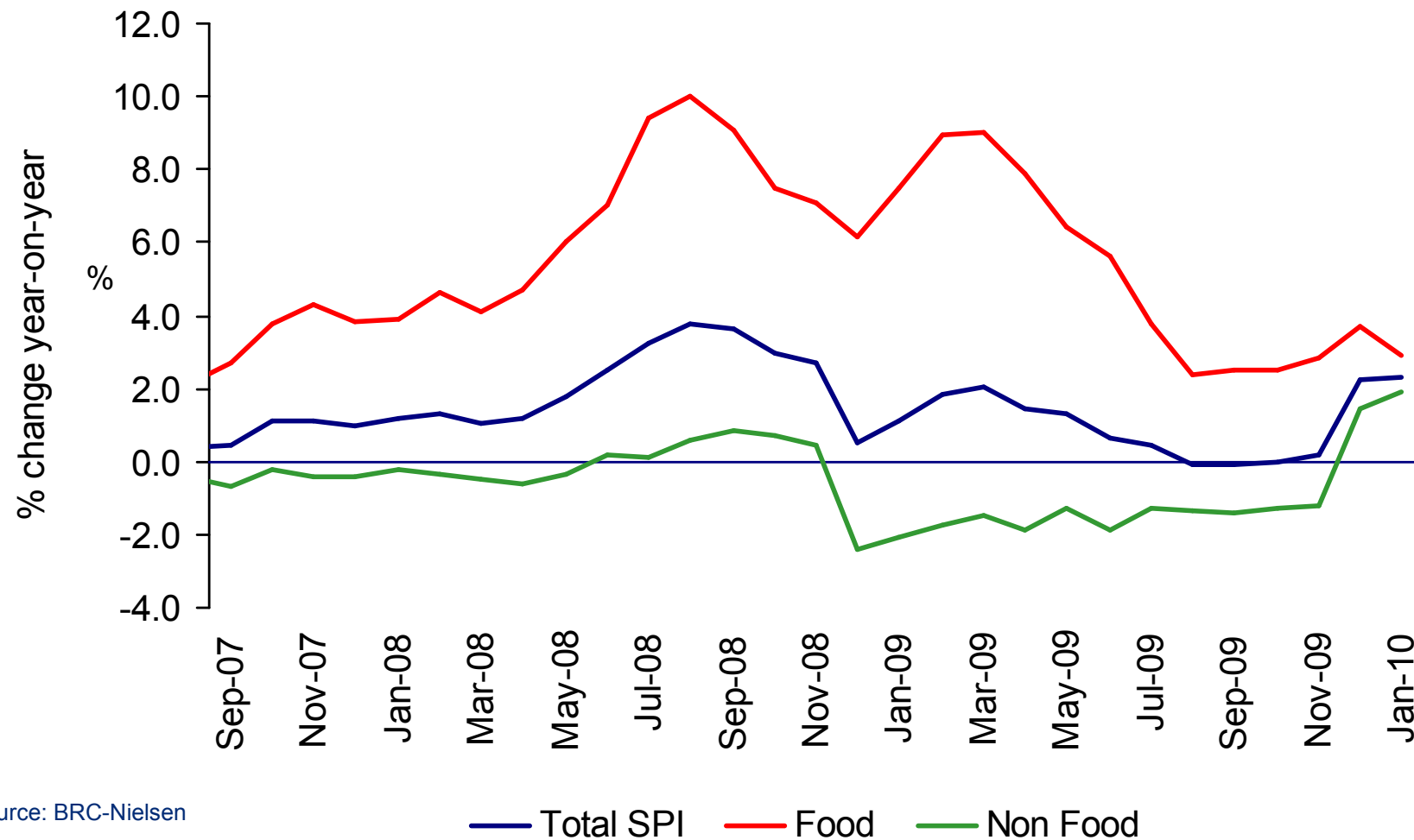


Consumer Confidence





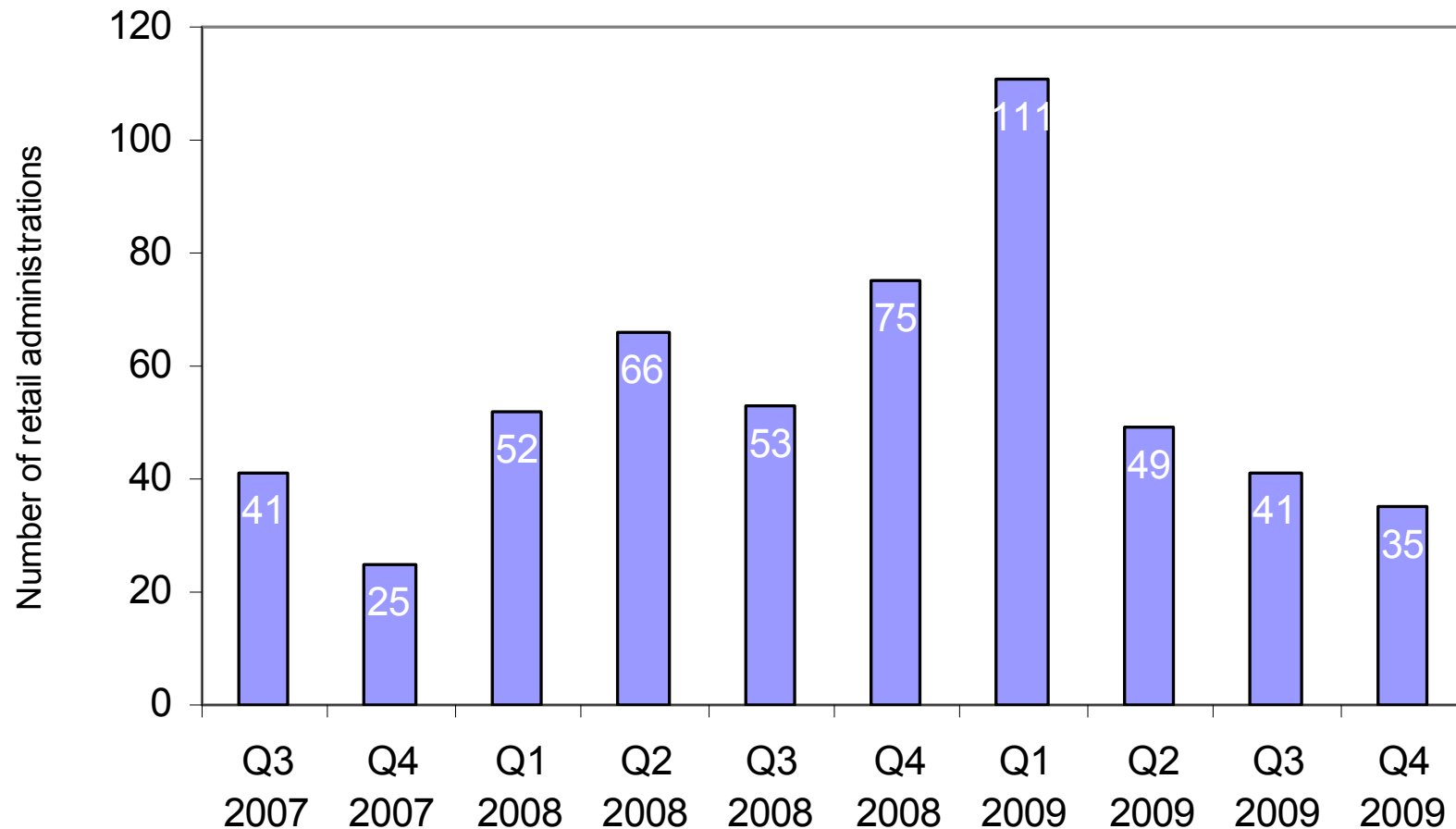
BRC-Nielsen Shop Price Index



Source: BRC-Nielsen



Retail Administrations





Where are we now?

- Christmas sales boost but against weaker comparables
- Careful purchasing and early stock clearance
- £14bn additional spend from firms no longer trading
- Vacancy rates starting to slow
- A brighter horizon already?



Looking forward 2010 - 1

- Short-term uncertainty:
 - Election outcome
 - Tax burden
 - Public spending cuts
 - Consumer confidence



Looking forward 2010 - 2

- A changing retail property market?
 - Retailers starting to look at sharing data
 - Landlords increasingly realistic – but needs to be across the board
 - Upward *and* downward review?
 - Broader opportunities for tenants emerging in some areas
 - More even distribution of risk?



Looking forward 2010 - 3

- Longer term trends:
 - Internet
 - Impact of internet (6.7% of total retail spend 2009)
 - £19bn in 2009
 - Will only continue to grow
 - Consolidation of spend, declining town centre share
 - Retail centres – differential impact
 - Centre for cities



Changing face of the High Street – stores with greatest number of outlets

Rank	1989/1990	2000/2001
1	Boots	Boots the chemist
2	Woolworth	Oxfam
3	Co-op	Superdrug
4	Currys	Clinton Cards
5	Granada	Woolworths
6	Radio Rentals	New Look
7	Superdrug	Dorothy Perkins
8	Freeman Hardy Willis	Birthdays
9	Dolland & Aitchison	H Samuel
10	Burton	Imperial Cancer Research Fund



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