

Retail Monitor

Key retail, economic
and consumer trends
March 2021



Introduction

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Irish Covid restrictions remain among the strictest in Europe. Much of the sector remains closed and over 74,000 retail workers are getting the pandemic unemployment payment. Unsurprisingly, the latest sales figures are bleak. For those businesses deemed “non-essential” the road to reopening and recovery will not be easy. We are working to ensure the range of Government supports available, and their duration, fully reflect this reality. This Monitor provide a snapshot of industry trends as we move through this crisis.

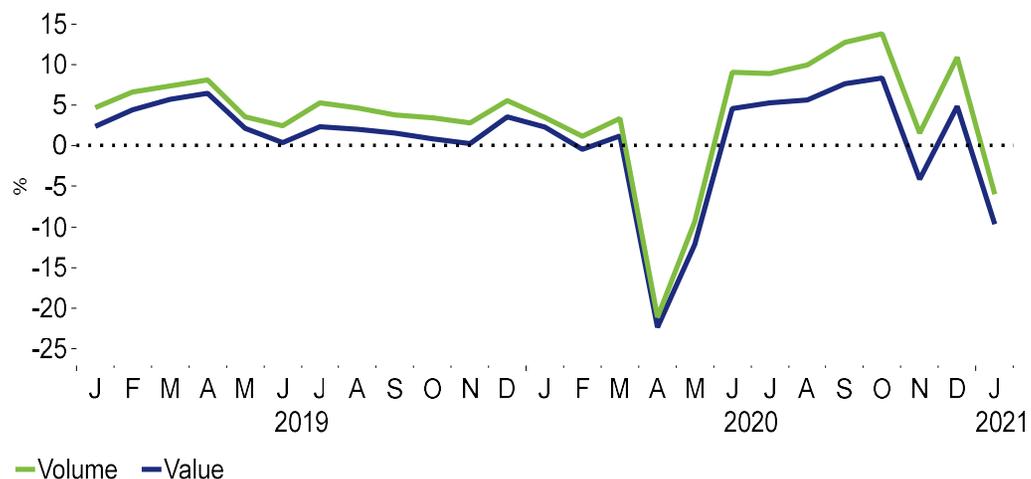


Sales plummet as lockdown bites

The volume of retail sales (ex bars & motor) was down 15.7% in the month of January from December and was 5.9% lower than January 2020. Those parts of the sector that have been forced to close are seeing the largest monthly falls, including Fashion and Footware (-72.2%), Furniture (-49%) and Department Stores (-36.8%).

Retail sales-All businesses (ex motor trades and bars)

(y-on-y % change)



January retail sales by value

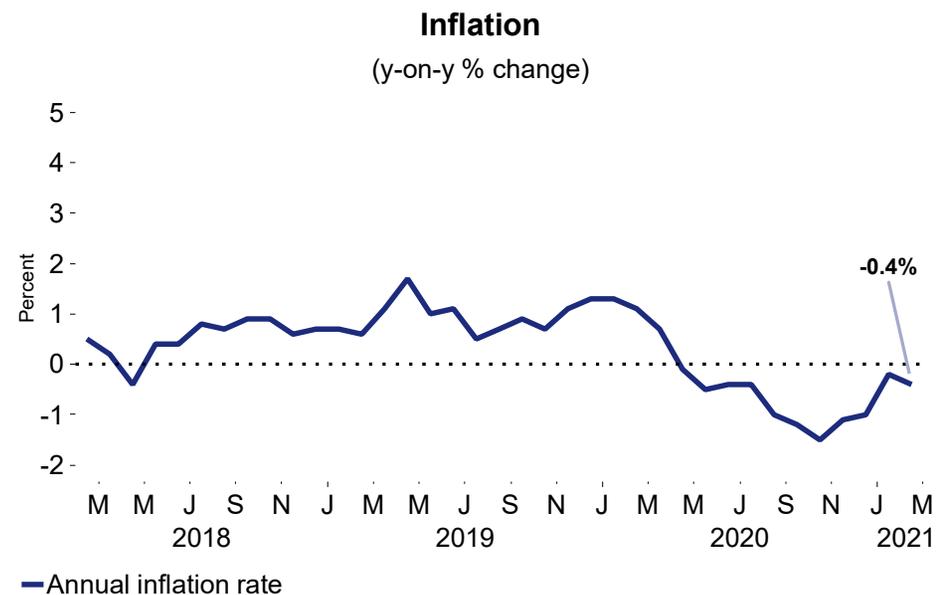
Category	YTD % change	Monthly % change	Annual % change
Supermarkets and convenience stores	7.7%	-0.7%	7.8%
Department stores	-41.7%	-35.1%	-41.8%
Specialised food and drink stores	14.1%	-1.6%	14.1%
Fuel (including petrol and diesel)	-31.3%	-20.2%	-31.3%
Pharmacies	-7.5%	-14.1%	-7.5%
Fashion, footwear and textiles	-69.7%	-70.9%	-69.7%
Furniture, lighting and homeware	-39.7%	-48.1%	-39.7%
DIY and hardware	-0.2%	-20.2%	-0.3%
Computers, electrical and electronics	5.8%	1.3%	5.8%
Books, newspapers and stationary	-53.4%	-46.2%	-53.4%
Non food specialised stores	-7.7%	-2.4%	-7.7%
All sales (excluding motor and bars)	-9.6%	-14.1%	-9.6%

January retail sales by volume

Category	YTD % change	Monthly % change	Annual % change
Supermarkets and convenience stores	10.1%	-1.0%	10.0%
Department stores	-39.2%	-36.8%	-39.2%
Specialised food and drink stores	16.9%	-1.0%	16.9%
Fuel (including petrol and diesel)	-25.1%	-22.4%	-25.1%
Pharmacies	-4.8%	-13.3%	-4.8%
Fashion, footwear and textiles	-68.4%	-72.2%	-68.4%
Furniture, lighting and homeware	-38.9%	-49.0%	-38.9%
DIY and hardware	1.4%	-22.0%	1.4%
Computers, electrical and electronics	10.3%	1.3%	10.3%
Books, newspapers and stationary	-52.9%	-47.9%	-52.9%
Non food specialised stores	4.4%	-2.8%	4.3%
All sales (excluding motor and bars)	-6.0%	-15.7%	-6.0%

Inflation remains in negative territory

Prices on average, as measured by the Consumer Price Index, were 0.4% lower in February compared with February 2020. Notable changes in the year were decreases in Clothing & Footwear (-6.8%), Furnishings, Household Equipment & Routine Household Maintenance (-2.7%) and Food and Non-Alcoholic Beverages (-1.9%).



February consumer price index: Factors contributing to annual change

- Clothing and Footwear prices fell due to sales.
- Food and Non-Alcoholic Beverages prices decreased due to lower prices across a range of products such as meat, jam, honey, chocolate & confectionery and mineral waters, soft drinks, fruit & vegetable juices.
- Furnishings, Household Equipment & Routine Household Maintenance prices fell mainly due to the reduced cost of non-durable household goods, furniture & furnishings and household textiles.
- Alcoholic Beverages & Tobacco prices increased due to a rise in the cost of tobacco products and higher prices for spirits and wine sold in supermarkets and off licences.

February CPI category breakdown

Category	Monthly % change	Annual % change	Category	Monthly % change	Annual change
Food and non-alcoholic beverages	0.1%	-1.9%	Books	-1.1%	-1.4%
Restaurants and hotels	0.6%	2.3%	Stationary	-0.3%	-6.1%
Clothing and footwear	0.6%	-6.8%	Hairdressing	0.0%	7.4%
Petrol	2.4%	-7.3%	Jewellery, clocks and watches	-0.1%	-9.9%
Diesel	3.1%	-7.8%	Home entertainment systems	1.1%	-5.2%
Furniture and furnishings	1.0%	-2.8%	Tools and equipment for house/garden	0.7%	-4.1%
Major household appliances	1.3%	4.3%	Cigarettes	0.0%	2.0%
Pharmaceutical products	-0.3%	-2.9%	Prescribed drugs	0.1%	-4.3%
Cosmetic and skincare products	-7.8%	-6.6%	Hygiene products	0.1%	-8.0%

Sentiment nudges up in February

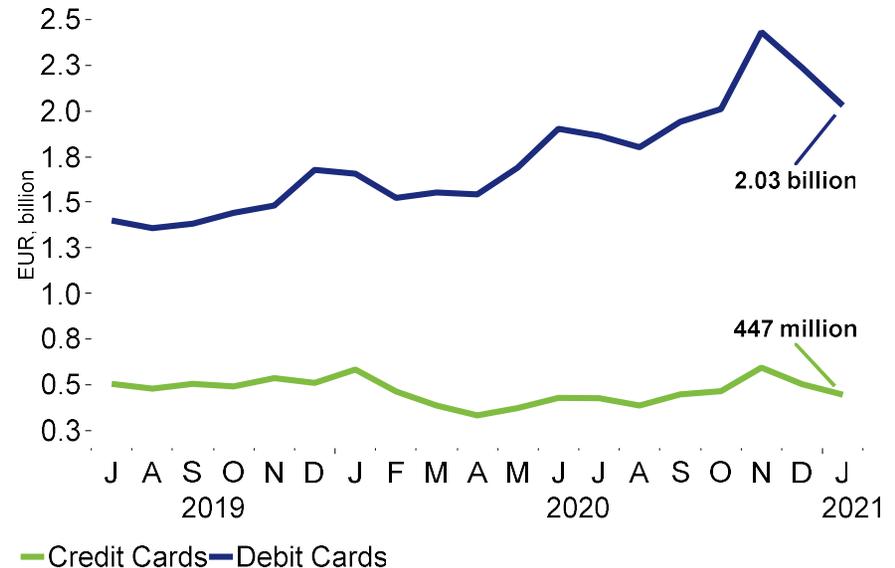
The KBC Bank Ireland consumer sentiment index increased to 70.8 in February from 64.9 in January, a 5.9 point gain that reversed more than half of the 9.7 point drop seen between December and January. Despite ongoing restrictions, consumers are somewhat less concerned about the outlook for the Irish economy and jobs than they were previously.



Online dips after Christmas high

Total online spending on credit and debit cards amounted to €2.4 billion in January, a decline of 10% on the previous month. However, this still represents a 10% year-on-year increase. Covid restrictions meant that online spending increased to 57% of all point of sale spending in January, up from 42% in December. In February 52% of our spending was in physical stores, this compares to 75% in February 2020 (Revolut).

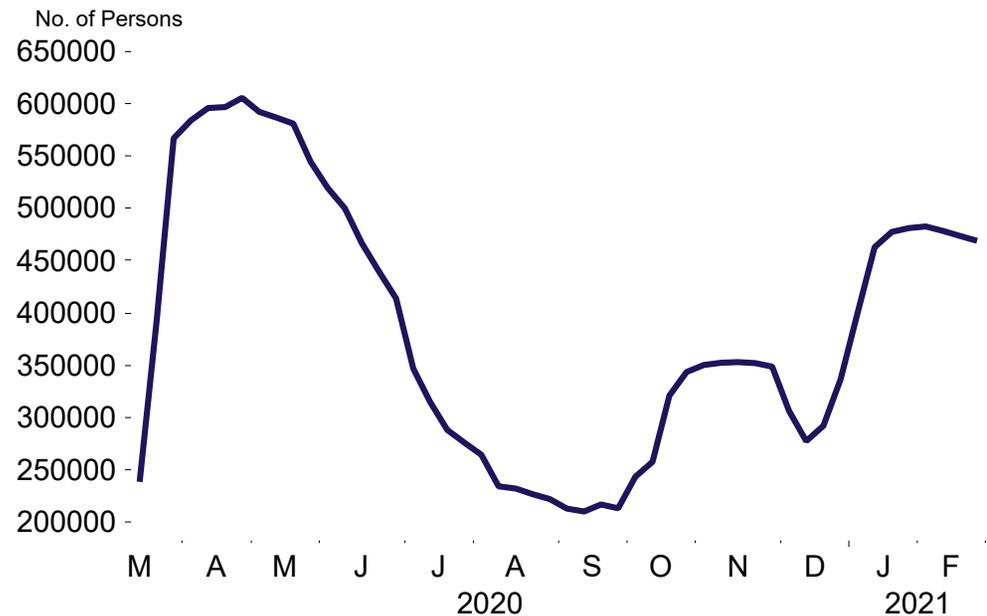
Monthly E-commerce transactions on credit and debit cards



Numbers on PUP level off

The numbers in receipt of the Pandemic Unemployment Payment (PUP) stood at 464,860 by the end of February. There was a modest decrease of 3,987 claiming PUP in the past month. 74,153 retail workers are currently in receipt of the payment, down from 76,367 in January.

Numbers on pandemic unemployment payment

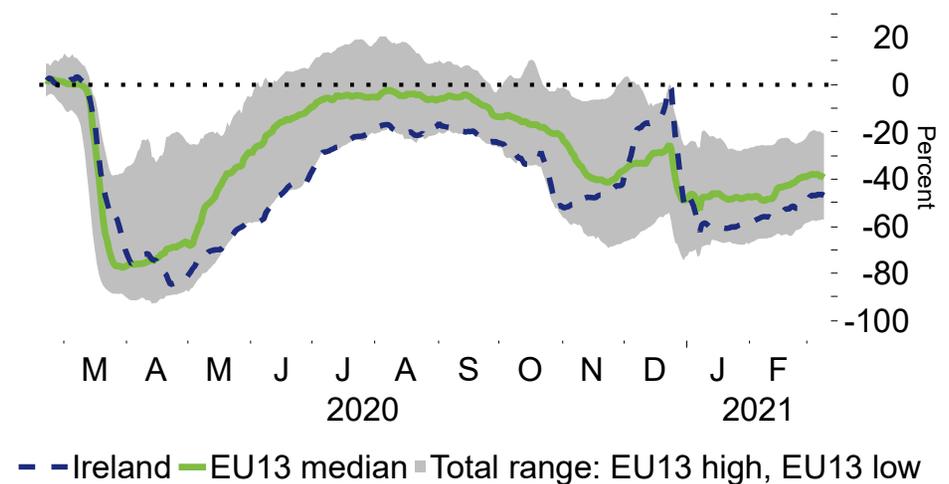


Footfall remains low during Level 5

The latest data from Google shows that footfall in Irish retail (excluding grocery and pharmacy) remains near the bottom of the European table, and significantly lower than the EU average. The Irish retail sector has endured the most stringent Covid restrictions over the course of the last year.

Google mobility, Retail and recreation (ex grocery and pharmacy), % difference to baseline

(EU15 excluding Sweden & UK)



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