

# Retail Monitor

Key retail, economic and  
consumer trends  
October 2021





# Introduction

## Arnold Dillon Retail Ireland Director

As the economy reopens significant labour market challenges have emerged. Retailers are having serious problems recruiting staff. Some of these challenges will ease as more people return to the labour market and the PUP is phased out, but there are other big issues. High rents make Ireland a less attractive place to return to for many EU workers that left during the pandemic.

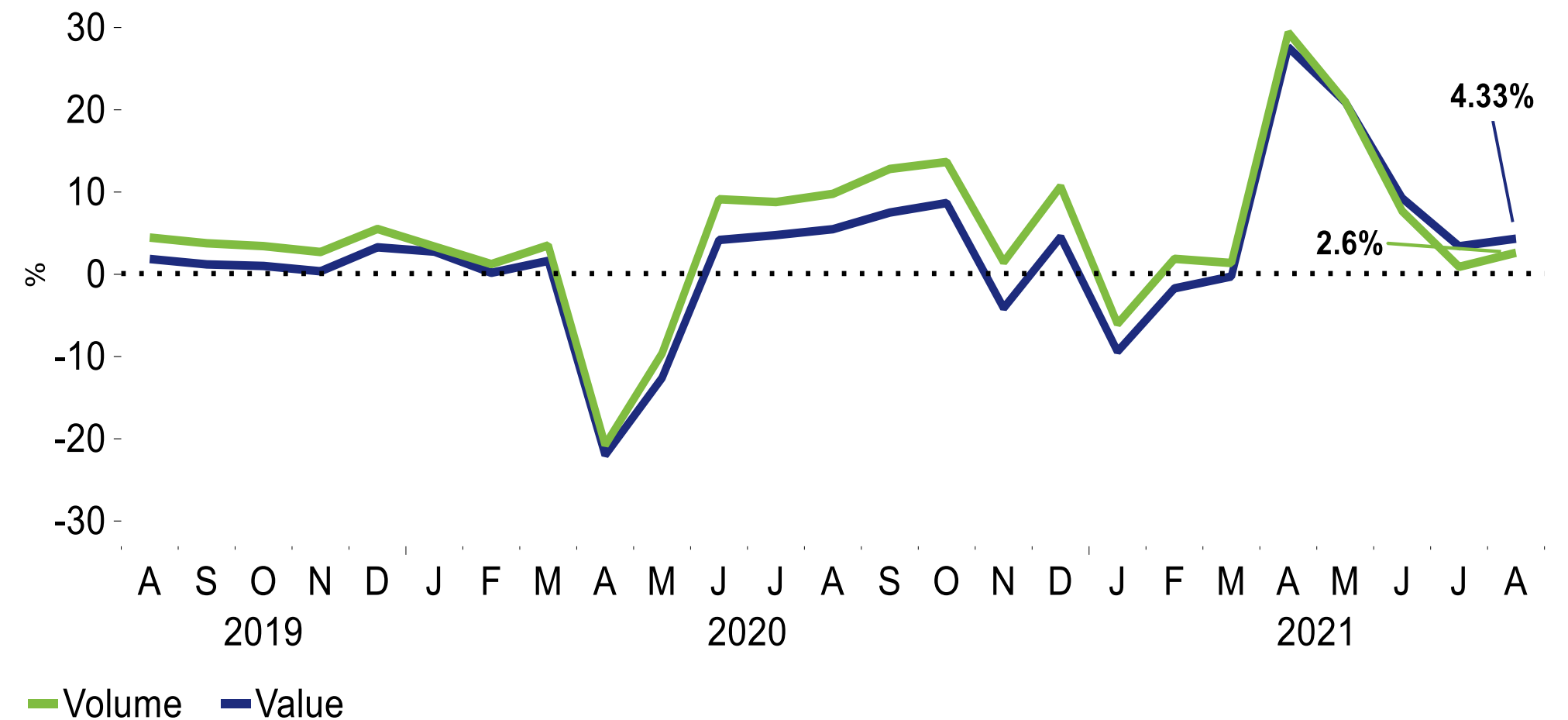
Addressing these cost of living issues will be central to addressing the long-term labour market challenges.



# August retail sales remain positive

The volume of retail sales (ex bars & motor) increased by 2.6% when looking at the three-month moving average (June, July, August 2021) versus the same months last year, while the value of sales increased by 4.33% during the same time. Compared to August 2019 (two years earlier and pre-COVID-19), the volume of retail sales in August 2021 was 14.8% higher.

Retail sales-All businesses (ex motor trades and bars)  
(y-on-y % change, 3mma)



# August Retail Sales: Most categories trading above pre-pandemic levels

- In August 2021, the largest monthly volume increases in sales were recorded in Books, Newspapers & Stationery (+48.7%) and Department Stores (+20.2%). The sectors which experienced decreases in the month were Non-Specialised Stores (incl. Supermarkets) (-3.7%) and Pharmaceuticals, Medical & Cosmetic Articles (-2.3%).
- On an annual basis, the sectors with the highest volume increases were Department Stores (+23.8%), Clothing, Footwear & Textiles (+17.3%). The largest volume decreases were in Hardware, Paints & Glass (-7.0%) and Furniture & Lighting (-3.0%).
- The proportion of retail sales transacted online (from Irish registered companies) was 4.9% in August 2021, similar to July 2021 (4.8%) and August of last year (4.5%).

# August retail sales by value

Category	YTD % change	Monthly % change	Annual % change
All sales (excluding motor and bars)	6.1%	1.8%	4.4%
Supermarkets and convenience stores	2.5%	-3.1%	1.0%
Department stores	-3.6%	19.7%	19.5%
Specialised food and drink stores	6.0%	0.0%	1.8%
Fuel (including petrol and diesel)	9.6%	2.7%	17.8%
Pharmacies	6.1%	1.0%	7.2%
Fashion, footwear and textiles	0.5%	3.2%	11.9%
Furniture, lighting and homeware	12.1%	-0.5%	-2.2%
DIY and hardware	16.3%	1.3%	-4.9%
Computers, electrical and electronics	11.8%	5.3%	-0.5%
Books, newspapers and stationary	-12.2%	35.4%	4.1%
Non food specialised stores	8.2%	7.2%	5.1%

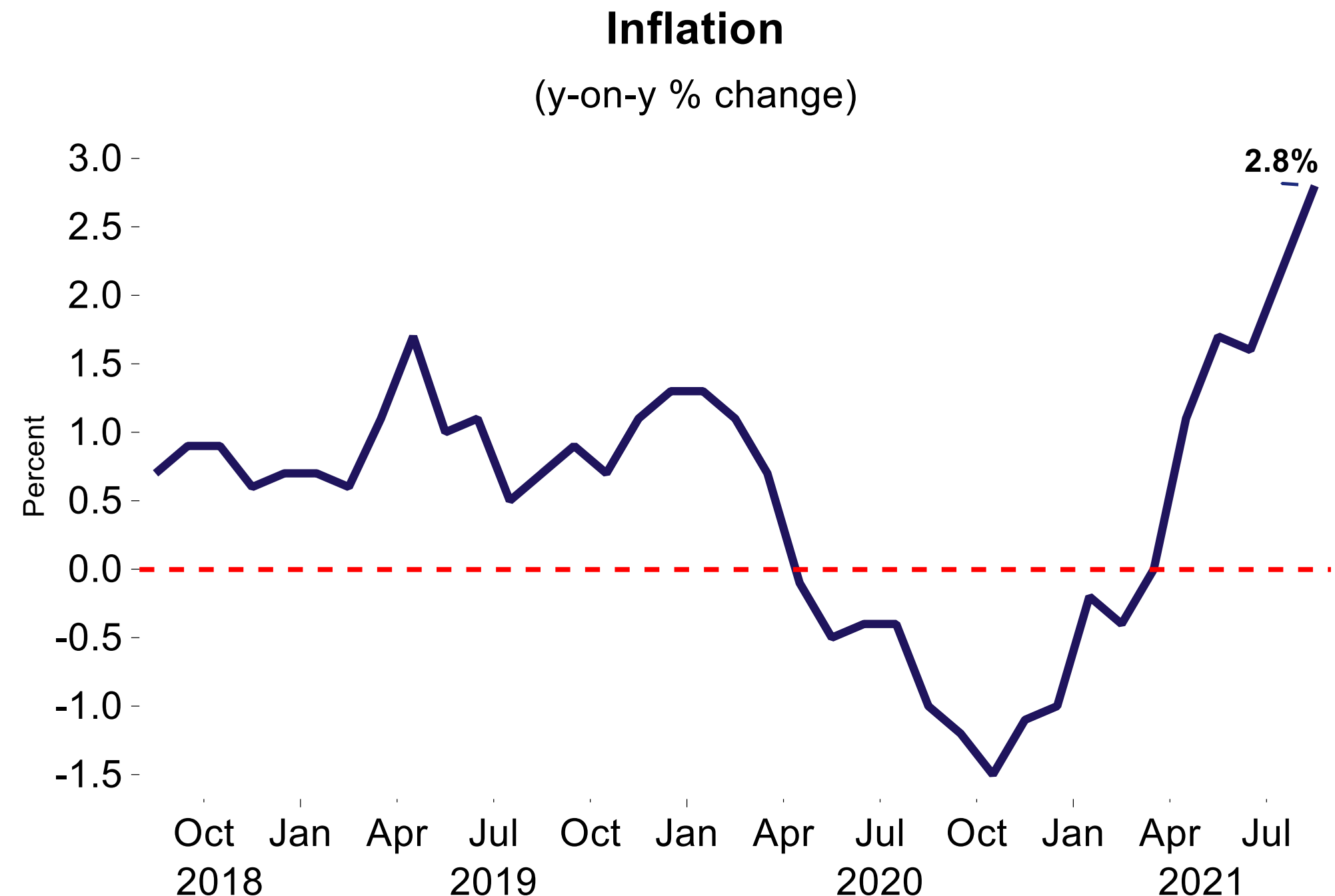
# August retail sales by volume

Category	YTD % change	Monthly % change	Annual % change
All sales (excluding motor and bars)	6.5%	2.5%	2.6%
Supermarkets and convenience stores	2.6%	-3.7%	-0.2%
Department stores	0.4%	20.2%	23.8%
Specialised food and drink stores	7.6%	0.3%	2.3%
Fuel (including petrol and diesel)	6.7%	2.0%	6.8%
Pharmacies	9.0%	-2.3%	9.0%
Fashion, footwear and textiles	5.7%	4.8%	17.3%
Furniture, lighting and homeware	13.4%	0.8%	-3.0%
DIY and hardware	16.6%	0.1%	-7.0%
Computers, electrical and electronics	14.6%	5.5%	-1.2%
Books, newspapers and stationary	-11.4%	48.7%	1.9%
Non food specialised stores	11.3%	7.2%	5.8%



# Inflation on the incline in August

Prices across the economy, as measured by the Consumer Price Index, increased by 2.8% in August 2021 compared to last year, the sharpest level of price growth since November 2011. Prices have gradually increased over the past ten months, the longest stretch since 2007. Higher energy prices, including for petrol and diesel, has contributed significantly.



# August 2021 consumer price index: Factors contributing to annual change

- Clothing & Footwear prices fell (-5.6%) in the past year due to sales.
- Furnishings, Household Equipment & Routine Household Maintenance (-0.5%) decreased mainly due to lower prices for non-durable household goods and household textiles. This decrease was partially offset by an increase in the cost of major household appliances (+8.8%).
- Transport increased primarily due to higher prices for petrol (+12.5%), diesel (+13.0%), an increase in airfares and a rise in the cost of services in respect of personal transport equipment.
- Alcoholic Beverages (+0.2%) & Tobacco (+4.7%) prices increased due to a rise in the cost of tobacco products and higher prices for alcoholic beverages sold in supermarkets and off licences.



# August CPI category breakdown

Category	Monthly % change	Annual % change	Category	Monthly % change	Annual change
Food and non-alcoholic beverages	-0.3%	0.1%	Books	1.2%	1.6%
Restaurants and hotels	0.5%	3.4%	Stationary	0.3%	-1.2%
Clothing and footwear	2.2%	-5.6%	Hairdressing	0.0%	1.7%
Petrol	0.6%	12.5%	Jewellery, clocks and watches	-6.5%	-15.0%
Diesel	0.2%	13.0%	Home entertainment systems	1.9%	3.4%
Furniture and furnishings	-0.1%	1.3%	Tools and equipment for house/garden	0.0%	0.6%
Major household appliances	0.8%	8.8%	Cigarettes	-0.1%	4.6%
Pharmaceutical products	1.9%	-1.1%	Prescribed drugs	-0.1%	-4.5%
Cosmetic and skincare products	-0.1%	-4.7%	Hygiene products	-0.3%	0.2%
Annual consumer price change	2.8%		Annual goods price change	1.7%	

# Consumer sentiment remains steady

The KBC Ireland Bank consumer sentiment shifted slightly to 86.4 in September from 86.5 in August. Sentiment has remained strong and steady over recent months reflecting optimism around the reopening of the economy.

KBC-ESRI Consumer sentiment





# Households cautious on spending

- The Bank of Ireland Consumer Pulse found that while households were more upbeat on their current economic situation as Covid-19 restrictions continued to ease in recent months, they were more cautious about their outlook for general activity and their own pockets. This may reflect some wariness in the run-up to Budget 2022 and the phasing out of pandemic-related supports.
- Buying sentiment was softer this month too as rising prices squeeze purchasing power – some 28% considered it a good time to buy big ticket items, down from almost a third in the summer.

## GENERAL ECONOMIC SITUATION

	Past 12 Months	Next 12 Months
⬆️	5%	11%
⬆️	17%	39%
No Change	11%	14%
⬆️	34%	21%
⬇️	30%	15%
Balance	-34%	+5%
Change on previous reading	+6	-5

## HOUSEHOLD FINANCIAL SITUATION

	Past 12 Months	Next 12 Months
⬆️	6%	7%
⬆️	18%	22%
No Change	54%	55%
⬆️	15%	12%
⬇️	5%	3%
Balance	+3%	+10%
Change on previous reading	+1	-4

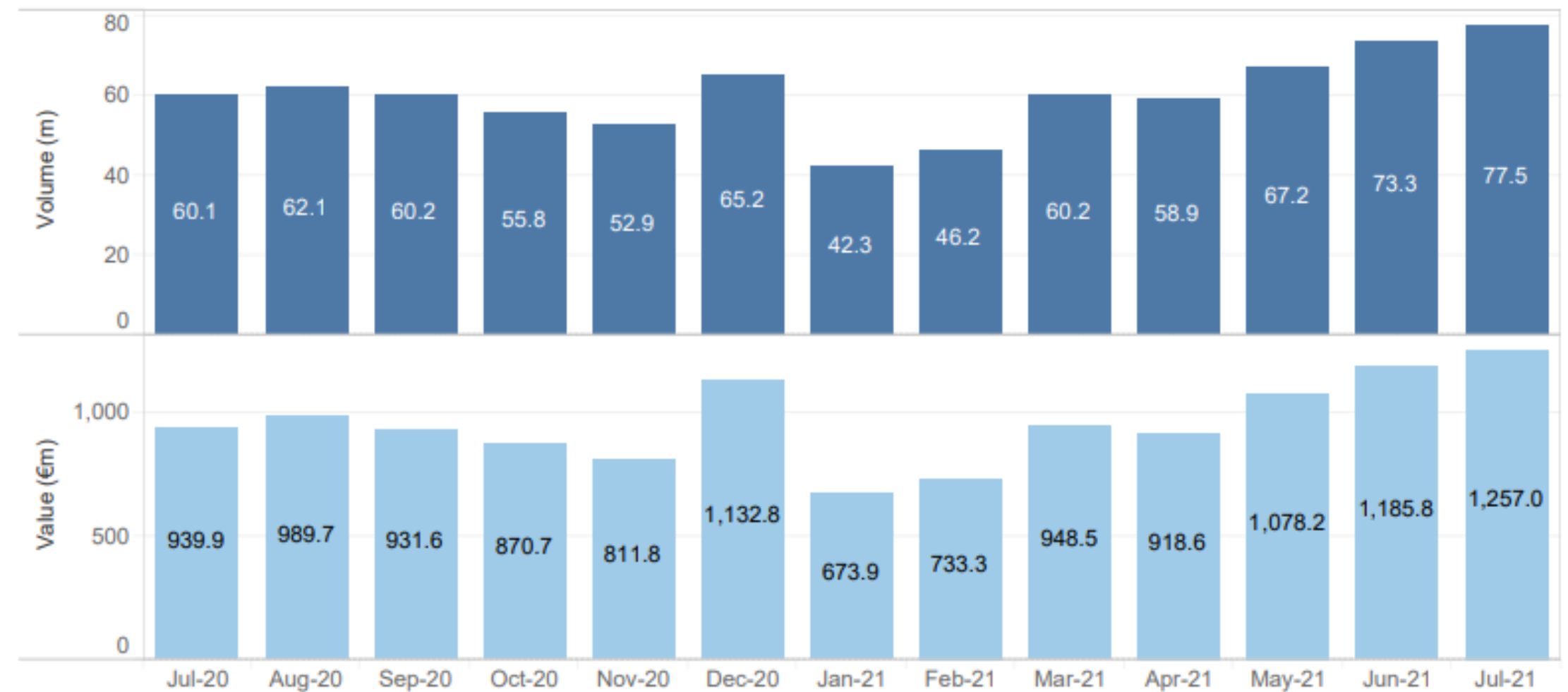
# Contactless payments continue to rise

Monthly contactless payment volumes rose by 29% year on year to 77.5 million or 2.5 million payments per day in July 2021, the highest daily level since the data series began in 2016. The value of contactless payments rose by 33.7% to almost €1.3 billion or €40.5 million per day. The average payment value increased to €16.21, from €15.63 compared to the July last year.

## Contactless Payment Cards - Overview

July 2021

### Monthly Contactless Payments



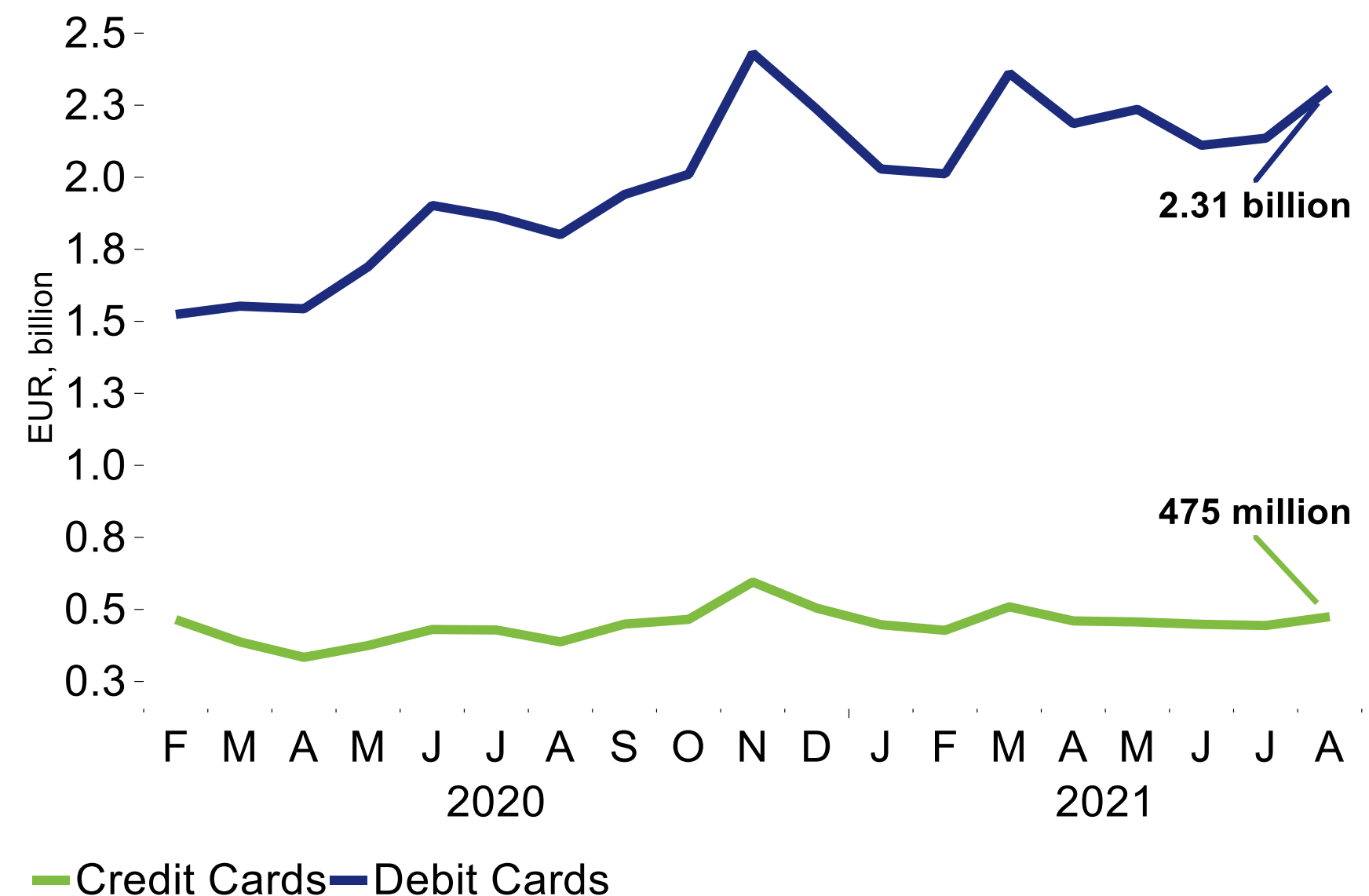
Banking & Payments Federation Ireland (BPFi)



# Online spending rises in August

Total card spending rose 6% (€437 million) in August 2021 compared to the previous month. Latest daily data to 20 September shows total spending increased over the month, with the average daily spend 3% higher than August. Card expenditure outside of Ireland increased 70% compared to August last year. In-store spending increased by 6% (€201) million, month-on-month and accounted for 57% of all Point-of-Sale spending in August.

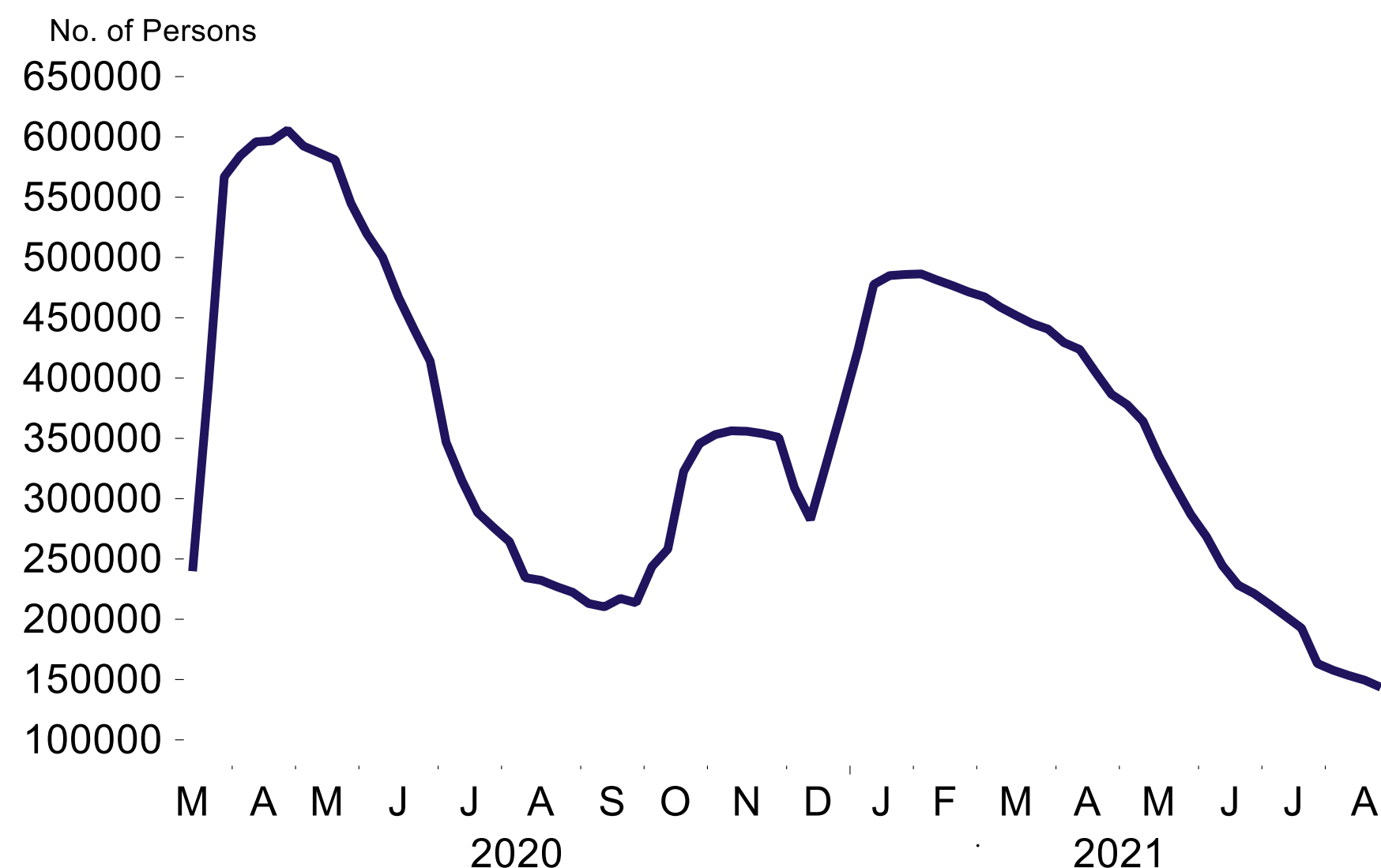
Monthly E-commerce transactions on credit and debit cards



# PUP numbers declining still

The numbers in receipt of the Pandemic Unemployment Payment (PUP) currently stands at 106,245, the lowest level since its introduction. The most recent figures suggest 16,752 retail workers remain in receipt of the payment, down from 22,434 at the start of September.

Numbers on pandemic unemployment payment





# Contact us

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