

September Footfall Figures Are Solid, Boding Well For Christmas Trading, Says Synovate

Contributed by Synovate
Monday, 26 October 2009

The latest Retail Traffic Index (RTI) figures from Synovate Retail Performance show that the number of shoppers entering non-food retail stores in the UK last month held up well.

The RTI, the national metric of retail footfall, rose by 0.1% in September year-on-year, though was down by 8.3% against August this year, a reflection of normal seasonal trends.

Looking at a longer timeframe, Quarter 3 2009 registered a minor 0.8% fall against Quarter 3 2008, only slightly worse than the comparison in Quarter 2, when the index stood just 0.3% lower against the same quarter of the previous year.

Taken together, this suggests that Christmas trading may well be a good deal better than many doomsayers are likely to be predicting in the coming weeks.

Synovate retail psychologist Dr Tim Denison interprets the data, "Given all the gloom that surrounded retailing at the start of the year, it is quite remarkable how well both footfall and sales figures have actually stood up in 2009. That's not to say that our attitudes to shopping and behaviour patterns haven't changed - they clearly have - we are all far more considered and cautious these days.

Yet retailers have taken up the baton and run with it, providing us generally with better value, less frivolity and more relevance. As a result we are all still out there spending, to some extent at least.

"In my mind, it remains far too early to declare the consumer crunch in remission, but for three of the last four months, footfall has matched last year's levels, and that is certainly building a bow-wave of hope.

For now though, it feels as if the majority of shoppers are in a holding pattern, awaiting further instruction, assessing news of tales of woe or hope and making purchasing decisions on a day to day basis. Generally, they will have found a new level of consumer comfort, but are perhaps uncertain over how long it may last.

"Nobody quite knows how the inevitable cuts in public spending and the pending rise in direct and indirect taxes, particularly VAT, will affect confidence levels and spending, but the risk is that we talk ourselves into another downward spiral.

If we should take anything from the recession so far, it should be that we will survive it, and not to be too pessimistic in our outlook.

"Despite everything, retailing has remained more resilient in the recession than many other sectors. It has adapted remarkably well to the changing market conditions and we should ignore this at our peril.

It's about now that the harbingers of gloom will inevitably start to creep out of the wings and begin regaling us with their warnings of impending disastrous Christmas trading.

From where we currently stand, however, there is no sound basis for such scaremongering, and the response from one and all right now should be 'Bah Humbug'."

United Kingdom - 8 October 2009